Daily Report

Latin America

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FBIS-LAT-95-034 *21 February 1995*

CONTENTS

INTER-AMERICAN AFFAIRS

'Peace Declaration of Itamaraty' Highlighted *[Lima TV]* 1
'Text' of Declaration of Guarantor States in Brasilia *[Lima TV]* 1
Chilean Negotiator Discusses Peace Talks *[Madrid EFE]* 2

CARIBBEAN

Cuba

Foreign Ministry: Helms' Proposal 'Diabolical' *[Havana Radio]* 3
Final Rafter Group Leaves for Guantanamo 18 Feb *[Havana Radio]* 3
PRENSA LATINA Reports End of Operation Safe Passage 3
Operation Safe Passage Ends, Rafters' Plight Continues *[Havana Radio]* 3
U.S. Allows Family Members To Visit Guantanamo Rafters *[Havana Radio]* 4
Cubans Said Smuggled Into U.S. Through Caymans *[Havana Radio]* 4
Commentary on Arrival of Last Group of Rafters *[Havana Radio]* 4
TV Notes Immigration Issue's Importance to U.S. Electorate *[Havana TV]* 4
Meeting Participant Views U.S. Property Claims *[Havana Radio]* 5
U.S. Filmmaker's Appearance Before UN Rights Body Noted *[Havana Radio]* 5
EC's Humanitarian Aid to Havana Reaches $17 Million *[PRENSA LATINA]* 5
Raul Castro: FAR Agriculture 'Modestly Profitable' *[PRENSA LATINA]* 6
FAR Civilian Employees Continue Meetings *[Havana Radio]* 7
Union Evaluates 1994 Activities *[Havana Radio]* 7
'Straight Talk' Discusses 'Political Language' *[Havana Radio]* 7
Machado Ventura Cites Problems, Solutions in Cienfuegos *[Havana Radio]* 9
Visits Sancti Spiritus Province *[Havana TV]* 9
Prieto Discusses UNEAC's Role, Artists' Individualism *[Havana TV]* 10

Haiti

President Discusses Privatizing State-Owned Enterprises *[Port-au-Prince Radio]* 10
Aristide Views Life After U.S. Withdrawal *[London THE GUARDIAN 18 Feb]* 11
Radio Notes Foreign Nations' Electoral Aid Donations *[Port-au-Prince Radio]* 12
Deputy Backs Executive Advisory Council's Establishment *[Port-au-Prince Radio]* 12

MEXICO

Deputy Criticizes U.S. Envoy Over Monetary Council *[EL FINANCIERO 20 Feb]* 13
Report: Flow of Illegal Immigrants Continues *[Madrid EFE]* 13
Bank Announces 10-Percent Increase in Interest Rates *[Mexico City Radio]* 14
Mexican Petroleum Issues Communique on Crude Oil Exports *[NOTIMEX]* 15
Attorney General's Office Probing Pemex Fire in Tabasco *[Mexico City Radio]* 15
Employers Confederation Rebukes Zedillo on Decisionmaking *[LA JORNADA 17 Feb]* 15
Deputy Director: Sidek Group, Subsidiaries Not Bankrupt *[EL FINANCIERO 17 Feb]* 15
Sidek Group Suspends Payment on $19.5 Million Debt *[Mexico City TV]* 16
Zedillo Speaks to Labor Congress About Chiapas, Economy *[Mexico City Radio]* 16
Zedillo: Mexico Going Through National Reaffirmation *[Mexico City Radio]* 17
Government Secretary: Army, PGR To Remain in Chiapas *[Mexico City TV]* 17
Thousands March To Demand Army Withdraw From Chiapas *[Madrid EFE]* 18
Details of 11 Feb Pro-Marcos Protest *[LA JORNADA 12 Feb]* 18
Defense Secretary: Armed Forces Not Evading Mission, Duty *[Mexico City Radio]* 19
EZLN, Army Said To Clash at Entrance to Chiapas Jungle *[Madrid EFE]* 20
EZLN Requests Return of Army Troops to Barracks *[LA JORNADA 20 Feb]* 20

Guerrillas Find 'No Tangible Conditions' for Dialogue *[Hamburg DPA]* 21
EZLN Issues Communique 17 Feb *[LA JORNADA 20 Feb]* 21
EZLN Replies To Zedillo 'Ultimatum' 9 Feb *[LA JORNADA 13 Feb]* 22
EZLN General Command Letter to Zedillo *[LA JORNADA 13 Feb]* 24
EZLN Communique Protests Army Actions in Chiapas *[LA JORNADA 14 Feb]* 25
EZLN Leaders Said Divided, Against Subcommander Marcos *[AFP]* 26
Chiapas Acting Governor on PRD Invitation To Hold Dialogue *[Mexico City TV]* 27
Reporters See No Evidence of Bombings in Zapatist Zone *[AFP]* 27
Conai Presents Initiative for Peace *[NOTIMEX]* 28
Conai: Meetings on Dialogue in Chiapas Fruitful *[LA JORNADA 17 Feb]* 29
Conai Criticizes 19 Feb Acts of Vandalism *[LA JORNADA 20 Feb]* 30

CENTRAL AMERICA

El Salvador

President Does Not Intend To Establish Ties With Cuba *[Madrid EL PAIS 16 Feb]* 32

Nicaragua

Chamorro Expresses Willingness To Discuss Reforms *[Managua Radio]* 32

Panama

Last of Rafters Said Transported to Guantanamo *[Panama City TV]* 33
Lawyer: Local Courts Must Try Suspect Wanted in U.S. *[LA PRENSA 20 Feb]* 33

SOUTH AMERICA

Argentina

Menem Admits 'Very Strong Pressure' To Devalue Peso *[NOTICIAS ARGENTINAS]* 34
Meets Cardoso, Holds News Conference *[NOTICIAS ARGENTINAS]* 34
Di Tella: Devaluation of Peso, Real 'Would Be Suicide' *[TELAM]* 35
Cavallo Denies Economic Crisis, Plans To Devalue *[TELAM]* 35
Criticizes 'Speculators' *[TELAM]* 36
Stock Market Has 'Rough Day,' Shares Drop 6 Percent *[TELAM]* 37
10th Consecutive Fall *[NOTICIAS ARGENTINAS]* 37
Prices Show Recovery *[NOTICIAS ARGENTINAS]* 37
Petrella Calls Peruvian-Ecuadoran Conflict 'Shameful' *[TELAM]* 38
Discusses Diplomatic Role *[Madrid EFE]* 38

Bolivia

Communique Expresses Satisfaction Over Peace Agreement *[La Paz Radio]* 38

Brazil

Cardoso, Menem on Effects of Mexican Crisis, Cooperation *[AGENCIA ESTADO]* 38
Cardoso Hails Peru-Ecuador Agreement Before Negotiators *[Rio de Janeiro TV]* 39

Chile

Foreign Ministry Expresses Satifaction With Peace Accord *[Santiago TV]* 39
Government Reiterates Position on Arms Sale to Ecuador *[Madrid EFE]* 40
U.S. Dollar Exchange Rate, Interests Up; Shares Dip *[Madrid EFE]* 40

Colombia

Country 'Disappointed' With U.S. Effort To Curb Consumption *[Santa Fe de Bogota TV]* 41
Foreign Minister on Efforts To Obtain U.S. Certification *[Santa Fe de Bogota TV]* 41

Communique on U.S. Certification Issued *[AFP]* 41
Editorials Express Fear of Possible U.S. Intervention *[Santa Fe de Bogota TV]* 42
Narco-Guerrillas Down Police Helicopter in Putumayo *[Santa Fe de Bogota TV]* 42
FARC Guerrillas, Army, Policemen Clash in Uribe, Tamara *[Santa Fe de Bogota TV]* 42

Ecuador

Duran-Ballen Welcomes 'Military Victory' *[Quito Radio]* 43
Government 'Pleased' by Peru's Acceptance of Peace Declaration *[AFP]* 44
Defense Minister Vows To Uphold Cease-Fire Agreement *[NOTIMEX]* 45
Spokesman: Country Achieved 'Greatest Military Victory' *[Madrid EFE]* 45
Foreign Minister Cited on Cease-Fire Accord *[Quito Radio]* 46
Says Cease-Fire Being Observed *[AFP]* 46
Deputy Minister, Spokesman View Accord *[Quito Radio]* 46
Former Presidents Question Accord With Peru *[Madrid EFE]* 47
Congress President Reacts to Cease-Fire Accord *[Quito Radio]* 47
Notes Areas in Dispute Not To Be Ceded *[Quito Radio]* 48
Col. Grijalva: Skirmishes Not To Affect Cease-Fire *[AFP]* 48
Guarantor States' Observers Expected on 21 Feb *[AFP]* 49
Armed Forces Not To Pull Back Before Delegation Arrives *[Quito Radio]* 49
Government Prepares Peru Negotiation Strategy *[Quito Radio]* 49
President To Report to Congress 21 Feb on 'War' Conflict *[AFP]* 49
Congress Official on Planned Meeting *[Quito Radio]* 50
Diplomat Wants OAS To Address Border Dispute *[Quito Radio]* 50
Military Forces Deny Report of Border Clashes *[Quito Radio]* 50
Joint Command Reports 'Constant Raids' by Peruvian Patrols *[Quito Radio]* 50
Defense Minister Accuses Peru of Creating 'False Tihuinza' *[Quito Radio]* 51
Foreign Minister Criticizes Peruvian Counterpart's Position *[AFP]* 51
Government Establishes Measures To Pay for Conflict *[NOTIMEX]* 51
Economic Goals Lowered for 1995 *[Quito Radio]* 52
Bucaram Discusses Political Alliances, Parties *[HOY 23 Jan]* 52

Paraguay

Argentina Requests Extradition of Lebanese, Arab Detainees *[Madrid EFE]* 54
Third Attack Planned in Argentina *[NOTICIAS 19 Feb]* 54

Peru

Fujimori Discusses Arms Purchases, Peace Accord, Tihuinza Visit *[Madrid EFE]* 55
Visit to Tihuinza Postponed *[NOTICIAS ARGENTINAS]* 55
Official Justifies Troop Withdrawal Strategy *[Lima Radio]* 55
Military Sources Note Weekend Armed Clashes With Ecuador *[AFP]* 56
Peruvian Press Claims Clashes Continue in Condor Range *[Madrid EFE]* 56
Deputy Foreign Minister Ponce Discusses Peace Talks *[Lima TV]* 56
Fujimori Allows Ecuadoran 'Stragglers' To Leave Peru *[Madrid EFE]* 58
New Area Mined by Ecuadoreans Discovered Near Tihuinza *[Lima Radio]* 58
Ecuador Transporting Troops, Supplies to Conflict Zone *[Lima Radio]* 58
Foreign Ministry Issues Communique on Peace Accord *[Lima Radio]* 59
Perez de Cuellar Rejects Itamaraty Peace Declaration *[Madrid EFE]* 59
Peace Accord Gets Mixed Reception From Press *[Madrid EFE]* 59
Fujimori Links Rio Protocol With Ecuadoran Border Conflict
[Berlin BERLINER ZEITUNG 13 Feb] 60
Peruvian Economy Not Affected by Conflict *[Madrid EFE]* 60
Peruvian Envoy Comments on Results of Visit to Argentina *[Lima Radio]* 61

'Peace Declaration of Itamaraty' Highlighted

PY1702132895 Lima America Television in Spanish 1115 GMT 17 Feb 95

["Text" of the "Peace Declaration of Itamarty" read by announcer as it appears on the screen superimposed on still of soldier in battle gear in a jungle site]

[FBIS Translated Text] Peace Declaration of Itamaraty

At the high-level diplomatic meeting of Rio de Janeiro Protocol guarantor countries, the deputy foreign ministers of Ecuador and Peru, Ambassador Marcelo Fernandez de Cordova and Ambassador Eduardo Ponce Vivanco, on behalf of their respective governments hereby confirm the cessation of hostilities as stated in the official communiques that the two governments issued after 1200 local Lima and Quito time on 14 January.

Vith a view to shoring up the cease-fire agreement and preventing new confrontations that could disrupt peaceful, friendly, and neighborly relations between Peru and Ecuador, the two parties agree:

1. To accept with satisfaction the guarantor countries' offer to send a mission of observers to monitor the strict compliance with the commitments outlined in items two, three and five of this agreement. The parties request that the initial term of the mission be established at 90 days and extended if necessary for which the two parties and the guarantor countries will make the necessary arrangements in due course. The mission of observers from guarantor countries will begin working as soon as military operations are suspended.

The parties pledge to supply the support and facilities that the observers may find necessary to carry out their mission and to protect the physical integrity of mission members. The procedures for this will be agreed upon in due time by the two parties and the guarantor countries. The parties also promise to immediately appoint the military officers who will liaise with the observers.

2. To immediately separate the forces of the two countries in confrontation so as to eliminate all risks of resumption of hostilities, giving priority to forces in direct contact with each other.

To this effect Ecuadoran troops will assemble at the Coangos post, 3 degrees, 29 minutes, 40.9 seconds South, and 78 degrees, 13 minutes, 49.67 seconds West. Peruvian troops will assemble at Watch Post One, 3 degrees, 32 minutes, 00 seconds South, and 78 degrees, 17 minutes, 49 seconds West. The two parties pledge not to carry out new deployments into the confrontation area.

Given the significance of this commitment, the parties promise to create the conditions which will enable the mission of observers to verify compliance and the separation of forces will be carried out under the supervision of guarantor countries.

The mission of observers will set up operations posts in areas where tension is considered to be greater, like Tihuinza and Base Sur.

3. To ask the mission of observers to recommend—within the framework of compliance with the provisions of preceding item—to the Ecuadoran and Peruvian Governments an area that should be completely demilitarized. The guarantees essential for the security of the neighboring areas of the two countries will be provided in establishing the above-mentioned demilitarized area.

4. To state for the record that the geographical coordinates listed in item 2 will apply only to the above-mentioned process of demilitarization and separation of forces.

5. To begin immediately, under the supervision of guarantor countries, a gradual and mutual demobilization by withdrawing the units deployed for military operations to their respective garrisons and bases, as a way of encouraging trust in border areas not directly involved in the clashes.

6. To begin talks in accordance with the provisions of Paragraph four of the note that the Rio de Janeiro Protocol guarantor countries addressed to the Ecuadoran and Peruvian Governments on 27 January 1995, with a view to finding a solution to the existing deadlocks as soon as the above-mentioned items are complied with and an atmosphere of detente and friendship is established between the two countries.

In witness whereof the representatives of Ecuador and Peru sign two copies of the present declaration in Brasilia, at 0245 local time on 17 February 1995, in the presence of the representatives of Argentina, Brazil, Chile, and the United States, the guarantor countries of the Protocol of Rio de Janeiro.

Signed:
Marcelo Fernandez Cordova, for the Republic of Ecuador
Eduardo Ponce Vivanco, for the Republic of Peru
Juan Jose Uranga, for the Republic of Argentina
Sebastiao do Rego Barros, for the Federative Republic of Brazil
Fabio Vio Ugarte, for the Republic of Chile
Melvyn Levitsky, for the United States of America

'Text' of Declaration of Guarantor States in Brasilia

PY1702120995 Lima America Television Network in Spanish 1117 GMT 17 Feb 95

[FBIS Translated Text] The guarantor countries have released a declaration entitled: Declaration of Guarantor Countries of the 1942 Rio de Janeiro Protocol:

1. Emphasizing their satisfaction over the agreement signed today by the governments of Ecuador and Peru, the governments of Argentina, Brazil, Chile, and the United States of America declare their firm commitment

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to pursue efforts toward rapprochement between the parties, fully meeting all their responsibilities after signing, as guarantors, the Rio de Janeiro Protocol on 29 January 1942;

2. The guarantor countries attach special importance to the decision included in Point No. 6 of the Itamaraty Peace Declaration [Declaracion de Paz de Itamaraty] in which the governments of Ecuador and Peru initiated, through bilateral talks, a path leading to a lasting solution to the impasses that exists between them;

3. Aware of their responsibilities, the guarantor countries of the Rio de Janeiro Protocol confirm their commitment to supply the parties, should they require, assistance and cooperation with the goal of achieving a solution in order to contribute to the establishment of peace and friendship between the two countries;

4. With this goal in mind, the guarantor countries invite the parties to initiate, as soon as possible, a process leading to bilateral talks.

Itamaraty Palace, Brasilia, Federal District

17 February 1995.

Chilean Negotiator Discusses Peace Talks

PY2002005295 Madrid EFE in Spanish 1437 GMT 19 Feb 95

[FBIS Translated Text] Santiago, 19 Feb (EFE)—Favio Vio, the Chilean negotiator in the peace talks between Peru and Ecuador, today said the work by military observers will be "essential" for preventing the resumption of hostilities on the banks of the Cenepa River.

Vio, who participated in the 20 days of intense negotiations to end the hostilities in the forest of the Condor Mountain Range, said that the first group of military observers of the four guarantors of the Rio Protocol of 1942—the United States, Argentina, Brazil, and Chile—will begin to work on 21 February.

Each guarantor will first send two officers. Later, the final number of observers will rise to 40. He said the observers will be transported by Brazilian Air Force planes, and that the United States will supply helicopters for use in the area.

The newspaper EL MERCURIO today reports that Chilean observers will be headed by Army General Hugo Jaque, the deputy chief of the Joint Staff.

Favio Vio, who returned from Brasilia over the weekend, said the observers' mission will be to make peace effective, and "supervise the separation of forces." This, he added, "is the essential step" for bringing tranquillity back to the region.

Vio added that the observers will initially stay for 90 days in the area at which the border has not yet been established. The first group of eight military officers will travel from Brasilia to Coangos, where Ecuadoran troops will concentrate.

Vio said hostilities should not be allowed to resume, in what he referred to as "a war, although this word was never used," a situation that is "serious, in which many people have died."

The Chilean diplomat said that Rio Protocol negotiators were recognized during the peace negotiations, and that the guarantors said the Protocol "is valid."

Vio will meet with President Eduardo Frei on 20 February. The meeting will be attended by Peruvian Ambassador Alfonso Rivero and Ecuadoran Ambassador Rodrigo Valdes.

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Cuba

Foreign Ministry: Helms' Proposal 'Diabolical'

FL1702145795 Havana Radio Reloj Network in Spanish 1200 GMT 17 Feb 95

[From the "First Thing" program]

[FBIS Translated Text] The Cuban Foreign Ministry described the proposed law presented to Congress by Jesse Helms, chairman of the Senate Foreign Relations Committee, as diabolical, unfair, and meddlesome [injerencista]; and said it seeks to internationalize the U.S. blockade of Cuba.

Final Rafter Group Leaves for Guantanamo 18 Feb

FL1702143295 Havana Radio Progreso Network in Spanish 1200 GMT 17 Feb 95

[From the "First Thing" program]

[FBIS Translated Text] According to U.S. Army Southern Command, on 18 February the last group of illegal Cuban immigrants confined at U.S. installations in Panama will be transferred to Guantanamo Naval Base.

PRENSA LATINA Reports End of Operation Safe Passage

PA1902033595 Havana PRENSA LATINA in Spanish 1407 GMT 18 Feb 95

[FBIS Translated Text] Panama City, 18 Feb (PL)—Another traumatic chapter for the illegal migrants (rafters) will come to a close today with the transfer to Guantanamo Naval Base of the last group of the 8,700 rafters who had been confined by the United States for more than five months in camps in the Panama Canal Zone.

Today, two flights will leave Howard Air Force Base to transfer the last 219 rafters, thereby ending the so-called Operation "Safe Passage" which the U.S. Army's Southern Command began on 1 February under the terms of an agreement with the Panamanian Government.

According to the agreement with Washington, the Panamanian Government pledged to accept as many as 10,000 Cubans for a period not to exceed six months. The deadline expires on 6 March.

Following failed diplomatic efforts to encourage third-party nations to accept the Cubans, the William Clinton administration decided to return them to the Guantanamo enclave in the eastern province of the same name, from where they were originally transferred in early September.

The number of rafters flown to the base, which is illegally occupied by Washington, totals 7,078, given that 1,277 were admitted into the United States for humanitarian reasons while Spain accepted 110 others.

The operation, which cost the White House $20 million, from the very beginning took place under extremely tight security, which included the deployment of more than 5,000 soldiers to prevent the Cubans from staging new protests.

After their hopes to travel to the United States—a country that since 1959 had encouraged them to leave their homeland, even illegally—were dashed, hundreds of rafters staged violent protests in December, which left 231 soldiers and 28 Cubans injured. Meanwhile, two rafters drowned while swimming across the Canal.

The Pentagon reinforced surveillance in the installations following these incidents and repressed the nearly 300 alleged masterminds, who were sent back to Guantanamo with their hands, feet, and waists bound.

More than 25,000 rafters now are staying in the U.S. military enclave in overcrowded conditions and with a growing feeling of despair, according to press reports. They were taken there by Coast Guard cutters in August, which intercepted them as they attempted to sail to Florida.

Washington and Havana have been holding talks periodically on migration policy—one of the sticking points in the dispute between the two countries—and these talks have included the topic of the Cuban rafters.

Operation Safe Passage Ends, Rafters' Plight Continues

FL1802191795 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Feb 95

[From the "National Radio News"]

[FBIS Translated Text] Another traumatic chapter for the illegal Cuban emigrants will come to a close today with the transfer to Guantanamo Naval Base of the last group of 8,700 rafters held by the United States in camps in the Panama Canal Zone. Thus concludes the so-called Safe Passage operation which began on 1 February by virtue of an accord with the Panamanian Government.

Following unsuccessful diplomatic efforts to convince third countries to receive the rafters, President Clinton decided to send them back to the Guantanamo enclave. Meanwhile, more than 1,200 have been paroled into the United States for humanitarian reasons and Spain accepted another 110 rafters. The Save Passage operation cost $20 million and was conducted amid impressive security measures involving more than 5,000 U.S. soldiers to prevent riots.

Their hopes to travel to the United States frustrated, the country which since 1959 encouraged them to abandon their native land, even illegally, hundreds of rafters participated last December in riots that resulted in

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injuries to 231 soldiers and 28 Cubans, as well as the deaths of two rafters who tried to swim across the canal.

Following those incidents, the Pentagon strengthened patrols in the camps and detained the almost 300 rioters who were sent to the United States handcuffed—hands, feet, and waist. According to news releases, more than 25,000 rafters are still being held in cramped conditions, and their desperation is growing at the illegal U.S. enclave in Guantanamo.

Washington and Havana meet regularly to discuss migration policies, one of the most acute issues in the conflict [diferendo] between the nations, including the delicate issue of the Cuban rafters.

U.S. Allows Family Members To Visit Guantanamo Rafters

FL2002203395 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Feb 95

[From the "National Radio News"]

[FBIS Translated Text] Whereas the transfer of rafters from Panama to Guantanamo has just been completed, the U.S. Government has announced it will permit family members living in the United States to visit rafters at the Guantanamo Naval Base. The announcement was published in THE MIAMI HERALD, according to an AFP report on 20 February. In the article announcing permission to visit, the newspaper stressed the need for improving facilities at the base.

Cubans Said Smuggled Into U.S. Through Caymans

FL1602153795 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Feb 95

[From the PRENSA LATINA headlines portion of the "Doing Radio" program]

[FBIS Translated Excerpt] The captain and four crew members of the boat Trident are being interrogated by U.S. authorities in connection with the recent smuggling into the United States of 58 Cubans from the Cayman Islands. [passage omitted].

Commentary on Arrival of Last Group of Rafters

PA2102043695 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Feb 95

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[FBIS Translated Text] The last group of so-called Cuban rafters arrived at Guantanamo Naval Base on 18 February. They are frustrated, because their hopes of travelling to the United States, the country that has systematically encouraged them to abandon their homeland, even by illegal means, have not materialized. They came from the camps set up by U.S. authorities in the Panama Canal area.

The (?7,078) Cubans forced to transfer to the area of Guantanamo, which is illegally occupied by the United States, are part of the more than 30,000 illegal Cuban immigrants who left this Caribbean island by sea last August and who thought they would be welcomed in [words indistinct]. When they were intercepted at sea and forced to go to Guantanamo and later to a [words indistinct], the U.S. authorities disappointed those who left thinking they would find the promised land in the United States, as the anti-Cuban radio propaganda has claimed.

The (?8,600) rafters who were received as of 6 September in Panama as well as the more than (?22,000) who remained at Guantanamo endured humiliations by the U.S. soldiers, particularly after last December's riots in the camps along the Canal, which left a toll of 221 U.S. soldiers and (?18) Cubans wounded.

The fact many illegal Cuban immigrants returned to Guantanamo from Panama amid strict security measures, frequently tied down and under extreme guard, is evidence their guardians feel they are all (?suspects). Those who have managed to get close to the press have admitted they were forced to return to Guantanamo, because they cannot forget that base located in eastern Cuba became an inferno where their human rights were violated. Only 1,277 illegal immigrants have been released from this inferno and finally admitted into the United States, to where they travelled from Panama. A group of 110 was admitted to Spain, and 12 went to Venezuela. They were claimed by their relatives in all of these countries.

General Jim Wilson, chief of Operation Safe Haven, which was carried out in Panama at a cost of $44 million, spoke of what he described as excellent treatment to the rafters and the respect for them as human beings, but the deplorable conditions for [words indistinct] their guests refute his words.

The worst thing for the rafters who are at Guantanamo once again is that their future will not change considerably as of now, because [words indistinct] nearly 800 had escaped from that base until late last month by crossing mine fields and risking their lives.

TV Notes Immigration Issue's Importance to U.S. Electorate

FL1702032095 Havana Cuba Vision Network in Spanish 0100 GMT 17 Feb 95

[From the "NTV" newscast]

[FBIS Translated Text] The United States will deport three times more illegal immigrants in 1996 than in 1994. The migration issue gains in importance as the

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1996 presidential campaign nears. The U.S. President has proposed that $2 billion be spent to search for and deport the approximately 3 million illegal immigrants in the United States. California's so-called Proposition 187 started a trend that now seems to be spreading to other states. Despite the labor secretary's denials today, many U.S. citizens believe that illegal immigrants steal their jobs. That might explain why 60 percent of California voters voted for Proposition 187. California politicians are not the only ones exploiting the issue: Anyone hoping for a victory in the 1996 presidential election should keep in mind that 25 percent of the entire U.S. population lives in California, Florida, Illinois, and Texas.

Meeting Participant Views U.S. Property Claims

PA1802045195 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Feb 95

[Report on interview with Pedro Monreal, investigator for the Cuba's Center of American Studies, by Mario Munoz; place and date not given; from the "Evening Information Review" newscast]

[FBIS Translated Text] Recently, an important meeting was held in the United States to discuss claims by U.S. businessmen who once owned properties that were nationalized following the Cuban revolution. A significant fact of this meeting is that, besides bringing together well-known lawyers, businessmen, and government representatives, for the first time a Cuban panelist—Pedro Monreal, an investigator of the Center for American Studies—was invited. Monreal believes his participation allowed an exchange of different viewpoints and information on this touchy issue.

[Begin recording] [Monreal] I believe the meeting was interesting for a number of reasons: First, because it was publicly acknowledged that the majority—or, at least, a large number of those companies that are making these demands—openly recognize that at this moment Cuba is not in any condition to pay, even if it wanted to, any substantial amount or percentage of the total they are claiming. This takes into account, of course, that the United States and U.S. companies have never sought compensation for a very high percentage, but rather for a relatively low percentage. Nevertheless, Cuba has no means to pay this in the short-term.

Therefore, I believe they are all aware that any future arrangement for business with Cuba—because such deals would include, in a significant way, the claims issue—would have to be handled in light of this ability to pay. Given the small percentage they want to recover, which they expect to recover, they are aware that [words indistinct] the ability to pay, which obviously [words indistinct] the lifting of the blockade, because it is the only way in which Cuba would have an ability to pay.

[Munoz] Was there a specific proposal on this issue?

[Monreal] For example, the most specific proposal came from a number of companies that openly expressed interest not to demand great sums of money from Cuba, but rather to begin to settle the demands and to move ahead quickly with other business proposals. A large number of companies which have claims pending against Cuba are no longer in the same businesses they formerly owned in Cuba. They are companies that [words indistinct] that disappeared [words indistinct] and, for example, companies that were formerly in other business areas are now interested in doing business in tourism. These companies now want to do business in tourism, and not in the areas in which their claims are based.

The people who work for the so-called U.S. Foreign Claims Settlement Commission assumed a flexible position in the sense that they recognized that perhaps the moment is near for the United States to adopt a more flexible position regarding [words indistinct]. Normally, in the case of Cuba, the United States has defended the position of its claimants and has said that, at a certain time, when it decides to normalize relations with Cuba, it will negotiate with the Cuban Government. What was said in the meeting is that it would probably be more appropriate to assume a more flexible position on this issue, which would allow individual claimants to reach separate agreements with Cuba. [Words indistinct] this would imply, if not the lifting of the blockade, at least [words indistinct] which would be very difficult. I believe what is interesting in all of this is that even the people who have claims against Cuba acknowledge that [words indistinct] the most fervent enemies of Cuba [passage indistinct] [end recording]

U.S. Filmmaker's Appearance Before UN Rights Body Noted

FL1702011995 Havana Radio Reloj Network in Spanish 2043 GMT 16 Feb 95

[FBIS Translated Text] Estela Bravo, a U.S. documentarian, appeared before the UN Human Rights Commission in Geneva, Switzerland, today to testify on the treatment of 5,000 Cuban inmates being held in U.S. prisons. Those prisoners are stuck in legal limbo without any rights; many of them have been kept in jail for more than 10 years for no reason, in violation of all international laws. The 57-minute documentary, including exclusive pictures of the inmates, portrays the human drama and political conflict of the inmates. Estela Bravo was invited to testify on behalf of the Committee Against Torture and Inhumane Treatment. The documentary "The Excludables" competes in the traditional [words indistinct] contest sponsored by the [word indistinct] commission and the Swiss-French television.

EC's Humanitarian Aid to Havana Reaches $17 Million

PA1702044795 Havana PRENSA LATINA in Spanish 2150 GMT 10 Feb 95

[FBIS Translated Text] Havana, 10 Feb (PL)—It was announced today in this capital that over the past two

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years the EC's humanitarian aid to Cuba rose to approximately $17 million and was managed in a satisfactory manner.

During a meeting with national and foreign reporters, representatives of Nongovernment Organizations [NGO's] who worked on the approved plan, and French Ambassador to Cuba Jean Raphael Dufour explained that the 1994 program will be fully implemented in March.

The assistance consists of essential products for Cuba's sanitation and medical assistance network, which includes hospitals, maternity homes, homes for the elderly, and institutions for the physically handicapped and mentally ill, as well as support for projects to enhance the quality of water for human consumption.

Based on the results of a joint study with state institutions, the NGO's have distributed food, medicine, sterile hospital products, medical and orthopedic materials, and equipment for the chlorination of water and pumps for treating water.

The organizations are based in Italy, Spain, Germany, France, Great Britain, and Portugal. According to the French diplomat, the humanitarian operation is the result of the solidarity network that exists between the people of Europe and the people of Cuba.

Juan Jose Llana, director of the Cuban Office of the Humanitarian Aid Department of the EC, highlighted the progress made in the distribution of cargo and the work performed in this area since 1993.

He explained that the plan, which was approved last year and whose implementation is about to be completed, envisages providing, for a period from six to 12 months, the necessary supplies to Cuban relief institutions, and he praised the official cooperation in the storing, transportation, and equitable distribution of goods.

He said the work carried out and the positive participation of Cuban organizations have overcome problems involving losses or the diversion of resources. He noted that in Cuba, thanks to existing health assistance structures, this task is performed more easily than in other countries in Latin America or Africa.

Llana said that, in terms of medicine, the island's public health development permits delivering raw materials for processing in Cuba, in addition to medicine ready for consumption.

Raul Taladrid, vice minister of foreign investments and economic cooperation, speaking on behalf of the Cuban Government, stated his appreciation for the efforts that have been made.

Taladrid said that what has been delivered is important not only because of the amount involved, but also because it represents an act of solidarity at a difficult time for Cuba.

We are on the road to resolving our problems, although we have not yet succeeded, and this is why we highly value this aid and hope it continues with the support of the EC and the NGO's, he said.

The organizations that support the program are the International Committee for the Development of the People; International Solidarity; Caritas; Movement for Peace, Disarmament, and Liberty; Doctors of the World; and the Civilian Voluntary Group.

Other participants are Cooperation and Development, Save the Children Fund, the Association for Cooperation With the South, and France Liberte.

Raul Castro: FAR Agriculture 'Modestly Profitable'

PA1702144095 Havana PRENSA LATINA in Spanish 1616 GMT 13 Feb 95

[FBIS Translated Text] Havana, 13 Feb (PL)—Raul Castro, minister of the Revolutionary Armed Forces (FAR) of Cuba, has asserted that the military corps' agriculture activity in 1994 has transformed it into "a sector free of state subsidies that is modestly profitable."

With earnings over 6 million pesos (equivalent to dollars according to the official rate), several military units—especially the Youth Labor Army (EJT)—maintained last year the food production increase that began in 1992.

The results, which were published by the weekly TRABAJADORES today, were studied during a FAR military council, headed by its minister, Army General Raul Castro, and attended by other generals and top-level government chiefs, officials, and ministers.

Increases were achieved in all but one of the 26 food sectors selected to achieve complete self-sufficiency for the troops and to support the national economy. The increases ranged between a modest 6.9 percent (for processed meat) to two times and one-half (for eggs).

TRABJADORES adds that although the increase was not optimum, they also obtained satisfactory results with tubers, vegetables, herbs, and grains, however, serious difficulties were confronted with soybeans as it was the only crop that decreased from its 1993 production. This shows that the agriculture technique for this product has still not been mastered.

The lack of sufficient soybeans, which is so vital as a meat substitute and as fodder, had a negative impact on the processed meats sector, which only grew seven percent and failed to accomplish even 70 percent of the established program.

The program for the production of cattle, swine, sheep, and goat meats also had favorable results. This also occurred with fish, milk, and others.

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This sustained growth and the one it expects to achieve in 1995 brings the FAR closer to its goal of self-sufficiency for all its troops. This, however, does not include—at least for now—sugar, salt, and exotic products such as wheat, TRABAJADORES indicates.

FAR Civilian Employees Continue Meetings

FL1802031595 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Feb 95

[From the "Exclusive" program]

[FBIS Translated Text] Economic efficiency, industrial improvements, Revolutionary Armed Forces [FAR] self-sufficiency, and an appropriate concern for the workers were the main issues discussed during the third session of the sixth congress of the FAR's civilian workers—specifically, the Revolutionary Armed Forces Ministry's general staff workers—today. Pedro Ross Leal and Division General Ulises Rosales del Toro, Politburo members, chaired the session. The difference between the huge efforts put forth in agriculture and the low prices in which certain agricultural products are sold was discussed during the meeting. Rosales said:

[Begin Rosales recording] Everyone that has a certain knowledge of prices knows that this is not a once-in-a-year problem but an everyday problem. These changes are everywhere, are systematic, and are due to many factors. What we must bear in mind is the economic situation and how it is transforming and changing. We must bear in mind how we are to stimulate the economy to obtain the results we want. When speaking of efficiency, we need more than basic productive efficiency; we also need to find an efficiency in our way of thinking. We need an efficiency which will renew procedures, which will allow us to improve results. It's not only about those who work the land. This must be done by everyone who has technical responsibilities. We cannot just sit down and wait for someone to come along and show us how to do things. We must go out and help resolve problems. [end recording]

In statements made to the press, Rosales pointed out that there are two things which should be highlighted about the FAR: that the Revolution's defense has not suffered and that the FAR—as a part of Cuba—has proved that we can advance. It has shown us how to do things, how to improve things, and how to help the rest of Cuba's organizations.

Union Evaluates 1994 Activities

FL2002165695 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Feb 95

[Report by Margarita Torres; from the "Doing Radio" program]

[FBIS Translated Text] The Military Construction Union evaluated the results of their efforts in 1994 in a meeting held at the Revolutionary Armed Forces' [FAR] National Projects and Research Enterprise. The most outstanding aspects include the union's plan to begin providing services such as technical assistance, feasibility studies, project management, and general services to national and foreign enterprises. The union will also continue cooperating with economic bodies on the repair of water and sewer systems.

In 1994, the FAR Military Construction Union earned over 22 million pesos, resulting from increased productivity, and reduction of costs from 61 cents in 1993 to 59 cents in 1994. It was also announced that thanks to workers' efforts in the development of materials, the union fulfilled 106 percent of its goals, and the construction and assembly program—its main task—achieved 102 percent of its goals. The union doubled construction of low cost housing in the community of Nuevo Santiago in Santiago de Cuba, and completed building the Bodybuilding Complex in Topes de Coyantes and the Center for Production of Laboratory Animals during 1994.

In spite of the Military Construction Union's accomplishments, however, there are problems with the quality of the work, and with control of resources—food for thought for representatives of the FAR entity who said that this problem will be solved only by maintaining strict control and stringent requirements.

Last, a group of workers and officials received top awards granted by the Council of State and the FAR Minister. Santa Clara's Construction Enterprise No. 3 was named the most outstanding of the sectors in 1994.

'Straight Talk' Discusses 'Political Language'

FL1802025895 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Feb 95

["Straight Talk": Studio discussion between host Juan Carlos Roque Garcia and guest Luis Sexto, from BOHEMIA magazine]

[FBIS Translated Text] [Roque] Good afternoon. We have already discussed many aspects of the changes Cuba is undergoing, and today we want to continue that theme by discussing the issue of political language. Is it necessary to adapt it? Is it necessary to change it?

[Sexto] When we talk about political language, Juan Carlos, we should distinguish between its aspects. We could describe language as the words or speech of a certain individual, or we could describe it as the content of political expression in our country. You ask if this language needs to be adapted or changed: This is not a pointless question. Many people have privately asked me how it is possible that, in view of the economic changes Cuba is undergoing, we don't change the political terminology also. I think it's an interesting subject, and I would respond by saying I do not believe it is necessary to modify our political language. Why? Because the Cuban economy is readjusting itself, it is suffering a series of transformations with an implicit and stated

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purpose: to adapt our nation to the new world circumstances. I think that is very clear. Our country is not changing just to change nor to become something else. I believe our country is transforming certain aspects of its economy to try to remain the same. This is the logic behind the changes in Cuba, not to become something different. The word change—I don't like to use the term change. I prefer to say transform—is a highly discredited word in the world. The use of the word change conveys the meaning that one is changing to stop being what they were and start being something different. This is not what we are attempting to do in our country; we are attempting to modify or readapt certain aspects, mechanisms, and formulas to transform the country and the economy to adapt it to the demands of the world in which we live.

[Roque] Adapt it, that is the word, because if our economy is undergoing a transformation, political language has no reason to change, however, the two cannot be separated.

[Sexto] Of course, they can be separated. Undoubtedly. The content...[pauses] because more than political language we must refer to the content of political language. I do not believe we have any reason to vary the content of political language. Sometimes, form becomes confused with meaning. I am convinced, and I think it's obvious, that Cuba has not renounced what it has always strived to be, it has not renounced its great goals of social security and social justice, it has not renounced socialism, therefore, it seems to me that it is not temporary, out of place, nor anachronistic to continue pursuing and defending the necessity of social justice. It is not anachronistic to continue to say we need to maintain independence. I believe these are the basic elements of our political speech. It is necessary to continue defending political language, Cuba's independence: It is not pointless to defend social justice and equality. Our society has not renounced these values, and, therefore, they must be explicitly included and very evident in Cuban political language. This must be so because nothing that is done in this country can go against the essence of what we have defended over the course of the last 35 years in the great ideals of the Revolution.

[Roque] While you were talking at the beginning of the program, I was thinking that our society, the society we have been building for 35 years, must, nevertheless, keep in mind that there is something that should be eliminated: egalitarianism. We have discussed it on the program, but keeping in mind that often political speech and the language of society are not fully assimilated, that is when we talk about eliminating egalitarianism, this is not fully assimilated. Therefore, this language that must exist to be able to explain and persuade still has not changed, it still has been transformed.

[Sexto] I think that there is a dialectic method that explains the regression of the social conscience with respect to the social being. Unquestionably, our economy is undergoing transformations, indisputably, with our priorities and pressures it has been transformed, however, the old mentality continues to be somewhat slow to change, it still lags a little behind. It is logical, for example, when you talk to me about political language I have to think about 1,000 languages because I am a political journalist. Naturally, what am I going to say? I am not going to defend egalitarianism; I never did and now even less, because it is even more detrimental to our society. It has always been harmful to us, and I think egalitarianism would be much more harmful now, now that our country is in the process of readjustment where individual effort must carry great weight in each person's life, that is to say, in the distribution of wealth in our country, in the effort and capacity of the individual. Of course, there must be some given amount of inequality due to the quality, quantity of an individual's effort and talent. I must advocate these ideas because it is these ideas that currently drive our society. Sure, in my heart and in the best Cuban tradition I wish that everyone could eat equally and enjoy equal benefits, but I am aware that a society not rooted in certain inequality linked to individual effort cannot advance very far, therefore, I can say that I have modified my political speech, absolutely, because I attack egalitarianism, unquestionably. I don't think anyone can defend it today in this country because this is entirely contemporary. We can move on to other issues, can we not?

[Roque] But first, I would like to point out that this modification of the political language must be effected on all levels, not just in the upper levels, from top to bottom, and on solid grounds so people understand it. I bring this up because of the regression you referred to. I think we should discuss this perceived regression.

[Sexto] Before addressing that issue, I would like to clarify something. It is not necessary to modify the political language, because that infers that political content must be modified. I think the content of Cuban political language is still valid. As I said at the beginning, defending independence, defending social justice, work, security, and the conquests of socialism must be included in our political language. This is valid, it is more than our purpose, it is the objective of our nation. To change the language would be to change the essence of the nation, of course. Cuba continues to be loyal to these postulates that brought the Revolution to our country.

[Roque] But, the form of political language can be changed.

[Sexto] That is another matter, Juan Carlos. I even think that our political language has become enriched. There is a big debate. For example, I listen to Raul's speeches, speeches in which he prompts debate and struggle against negative ideas and attitudes. We ourselves are constantly debating, Juan Carlos, and we have enriched our political language in this respect. For example, recently we have had to defend taxes. Of course, nowadays it is more pleasant to speak out against taxes than

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defend them because many people still don't understand taxes. There are those who believe that taxes will hurt them in the pocketbook; I say, yes it will hurt your pocketbook, but I believe the end result of taxes is beneficial to society. Therefore, I am convinced that taxes must be defended. It is easier to attack them than defend them, and I am in the minority when I defend them because many still don't understand them. This has enriched our political language. Our political language is current because speaking out against bureaucracy is a demand of the moment also.

[Roque] Bureaucracy—I definitely think that political language must be totally against bureaucratic statements that continue, despite economic transformation Cuba has undergone. This demands another type of speech, another language, and, of course, a language totally opposed to the very roots of bureaucracy.

[Sexto] This language exists, and, in all modesty, on this program we have been examples in this struggle, however, there is a debate over bureaucracy and the bureaucratic attitude going on in the country. It is at the center of this discussion, this debate, this ideological struggle Cuba is currently undergoing. I know that right now the situation is difficult, many people are confused. Confusion about why the country is doing this reigns at the moment. Today we have to deal with self-employment: 10 or 15 years ago there was no such thing as self-employment in our society, it was not necessary. I don't want to be a champion of self-employment, but I have no reason to be against it; on the contrary, I think that self-employment solves problems in Cuba. I have to say that I think it is a necessary evil, because we must differentiate—and I think certain leaders in this country have said so—between that which is possible and that which is desirable, what I want and what I can do. Cubans must understand this difference very well. What can we do to survive?

[Roque] We were talking about regression. Many people think that regression exists; however, I do not share the opinion. In summarizing the theme of the program, perhaps we can show that there is no regression.

[Sexto] Some people are not able to understand that some things that are being done are included in the developmental and social plan that the Revolution and socialism laid out for our country, that have been extended and consolidated. In making modifications and readjustments—the proper terms to use—it could be thought that we are regressing. I don't want to get into a theoretic debate. I have my own personal view of what progress and regression is. To me, progress is everything that causes me to advance. That which holds me back or stops me from advancing is regression. There are those who think, to give a material example, that using oxen in agriculture is a regression. I don't think so: To me, it would be a regression to leave ourselves with only tractors that have no fuel. If we adapt and expand the use of oxen—we know how to use them—if we use them as a productive factor instead of tractors because we have no way to run them, I don't think we are regressing. To me, regressing is trying to do something you cannot do.

[Roque] A regression would be to say it can't be done since there is no fuel, the tractors can't run, and then not use oxen either. This would definitely be a regression because the economy would not advance.

[Sexto] If we are looking for alternatives, if we are trying to generate initiatives to face today's material challenges, today's demands, I wouldn't call that a regression. I think it is an adaptation to progress. Progress can never be separated from the circumstances particular to a country. In the social arena, we are not regressing either. We are seeking methods—which rub some the wrong way—such as the farmers market, supply and demand, or the decriminalization of possession of foreign currency, etc. I think our country still maintains a very advanced social development program, because we continue to guarantee the dignity of man because our country tries to maintain human dignity, citizens' security, and our country's political and economic independence. Cuba has not renounced these things, and they are ideals that must continue to be defended.

[Roque] And they must be maintained within our political language.

Machado Ventura Cites Problems, Solutions in Cienfuegos

FL1602191295 Havana Radio Progreso Network in Spanish 1200 GMT 13 Feb 95

[From the "First Thing" program]

[FBIS Translated Text] Following a visit to Cienfuegos Province, Politburo member Jose Ramon Machado Ventura stated that there are problems but there are also positive and concrete results.

Visits Sancti Spiritus Province

FL1702131195 Havana Cuba Vision Network in Spanish 0100 GMT 17 Feb 95

[From the "NTV" newscast]

[FBIS Translated Text] Jose Ramon Machado Ventura, Politburo member and Council of State vice president, has concluded a two-day visit to Sancti Spiritus Province. Machado discussed provincewide efforts on the sugarcane harvest and found that difficulties are being confronted optimistically:

[Begin recording] [Machado] They will at least be able to grind the amount of sugarcane that they had planned to grind.

[Correspondent] What about the Uruguay sugarcane complex?

[Machado] The Uruguay complex has the sugarcane. It's an efficient complex, as you all know. The complex

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functions very well. It can guarantee...[pauses] It has been said that if the Uruguay complex can meet its goals, so can the province. It seems that the complex will. [end recording]

Machado toured several miscellaneous crops production areas in Valle de Caunao, noting that the potato crop looks good. High yields per caballeria are expected during this potato harvest. Accompanied by Pedro Saiz Montejo, Cuban Communist Party first secretary in the province, Machado was briefed on the downturn of the Banao Miscellaneous Crops Enterprise and measures that have been taken to increase this year's production.

In Taje, the recently constructed agricultural town that will support the work force growing food for Trinidad, Machado praised not only the design of the houses but also the efforts of Alberto Delgado contingent workers, who built the 62 houses in only 10 months:

[Begin Machado recording] I spoke with the contingent's leader and told him they deserved to be congratulated in every sense. They should be congratulated on their work, on their efficiency, and on their good taste. [end recording]

Prieto Discusses UNEAC's Role, Artists' Individualism

FL1602191195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Feb 95

[Passages within quotation marks are recorded; from the "NTV" newscast]

[FBIS Translated Text] During an assessment of the work conducted by the National Union of Cuban Writers and Artists [UNEAC] in Guantanamo during 1994, Politburo member Abel Prieto called for a discussion on the importance of dialogue, keeping in mind the individuality of the most talented artists in their social activity.

[Prieto] "We have never thought of the UNEAC has an elitist organization of minorities. We believe it has to maintain its selective spirit with great social production."

During the meeting with Guantanamo artists, Prieto stressed the importance of preserving cultural values to fight dollarization [dolarizacion], while finding ways to promote real opportunities without damaging the essence of the art. In this regard, Prieto praised the auctions held in Guantanamo to give the people an opportunity to acquire art.

[Prieto] "We have tried to fight any artificial barrier that someone might try to raise between the people and the artists. We have always advocated the principle...."

Regarding tourism, Prieto pointed out the progress made to avoid an artificial culture and to mesh tourism in an organic relationship with the cultural life of the country. By means of clear language, the UNEAC should emphasize grass-roots level education efforts, exchanges with the community, and take good advantage of radio and television cultural programs.

What will be the UNEAC's contribution to our history?

[Prieto] "I believe the main thing, our possible legacy, is the emphasis we have put in promoting the revolutionary commitment of the artists, not in abstract terms, declarations, or manifests, as conceived in other times, but in terms of involving the artist in specific projects and making that commitment a part of his flesh and blood as an artist."

Haiti

President Discusses Privatizing State-Owned Enterprises

FL1702130695 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Feb 95

[FBIS Translated Excerpt] President Aristide has said that the Haitian people support the international community 1,000 percent. The Haitian president was speaking during a meeting with Haitian Government, multinational force, U.S., and UN representatives at the National Palace on 15 February. The United Nations will assume control of what is now a U.S.-led multinational force on 31 March. Eric Falt, a UN spokesman, has said that the meeting—held just six weeks before the United Nations assumes control of the multinational force—included a detailed report on preparations for transition to the Haitian Government. The meeting was held in a very good spirit of cooperation and focused on: deployment of UN Mission in Haiti—MINUHA—troops and civilian policemen, Haitian judicial reform, the process of rebuilding the Haitian police force, and the electoral issue. Falt pointed out that 70 percent of the MINUHA military components are already in Haiti and that 50 percent of its strength will be policemen. Here is an excerpt of President Aristide's remarks during the meeting:

[Begin Aristide recording] Rather than sell a state-owned enterprise that cannot satisfy the community's needs to an individual, we should determine its worth. A certain amount could be put toward providing public education, toward supplying medical care to those who did not have it before, toward helping the coup victims obtain what they could not obtain before, toward helping those who can no longer work and those who do not have a pension fund due to government irresponsibility, and so on and so forth. The enterprise could serve the community rather than just one individual. [end recording]

That was President Aristide, speaking during a meeting on privatizing some state-owned enterprises. [passage omitted]

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Aristide Views Life After U.S. Withdrawal

MS2002112095 London THE GUARDIAN in English 18 Feb 95 p 24

[Report on "exclusive" interview with President Jean-Bertrand Aristide, by Maggie O'Kane; in the presidential palace in Port-au-Prince; date not given]

[FBIS Transcribed Text] The US-choreographed return of President Jean-Bertrand Aristide to Haiti five months ago marked the beginning of a honeymoon with his people that is as passionate as ever, despite their continued desperation. No jobs for the population; rising prices; and only a few hours of electricity every day.

What is different now is that the cities do not close down after dark, the people are no longer afraid of execution squads, and for the first time since General Jean-Jacques Dessalines proclaimed victory after the world's first successful slave revolt in 1804, the people have an apparently popular president. "Thank you, America; Bill Clinton and Aristide for 50 years," reads the graffito in the capital, Port-au-Prince.

On the second floor of the presidential palace, an assistant to the president is walking about with new mobile telephones. A Xerox machine flown in from Miami is being pulled along the corridor. US marines sleep on camp beds on the first floor. American security makes up about half of Aristide's 14-strong team of bodyguards at his country residence. The Americans are taking no chances with their greatest foreign-policy success since the Gulf war.

"I am not afraid," Aristide says. "It is not that there is no threat to me now, but things are a lot better than they were in October. I couldn't really move then, but now I am driving round the country. Before I always went in a helicopter." But there are still dangers to the priest-president: many anti-Aristide activists have stayed in the country and he is detested by the rich elite who financed the military coup that overthrew him in 1991.

International estimates put the number of hidden weapons in the country at about 100,000 (an American military buy-back programme has turned up over 19,000 in the past five months). Although most of the key members of the military dictatorship have left the country for American-funded retirement in Panama, those widely believed to have organised the attack on Aristide's church live freely in Port-au-Prince. But Aristide is philosophical. "We are trying to build a democratic society and we must try to behave in a democratic way. People cannot be taken from the streets unless there is a proper justice system to deal with them."

The elite may dislike and mistrust Aristide, but the promise of $1 billion in international aid at the Paris conference earlier this month has sweetened their palate and encouraged those who ran monopolies of sugar, cement and electricity to accept him. His survival depends on a continued American military presence in Haiti and the international community delivering its aid promises. Although the US officially hands over to the UN on March 31, more than half the UN force of 2,500 will be supplied by that country and the UN force will be commanded by an American general.

A European ambassador has described the US as "baby-sitting" Aristide's new government. The economic-reform programme has been developed under American direction; Aristide no longer talks of a $5-a-day minimum wage; and the minister of finance announced, in Paris, that he intended to lift all trade tariffs. But Aristide, rejects allegations that he has become a puppet: "We have changed some of the parameters but not the heart of the issue."

Aristide is a practical man. In order for the Americans to bring him back from exile, the former militant liberation theologian is making compromises. He has embraced his former enemies, inviting the families that financed the coup against him to a palace reception. And he kissed them all. "I had a lot of practice with this in Washington, negotiating my return," he says.

"He is not a radical now," says Stanley Schrager, the American embassy's spokesman in Haiti. "It is clear now that he is behaving in a moderate way." Aristide seems prepared to kiss anyone necessary "to bring my people from misery to dignified poverty" (one of his well-used phrases). His battle now is to improve the day-to-day lives of his people while remaining within the strict economic guidelines laid down by the US. His addresses to the nation preach patience and tolerance: "We are cooking the pot of democracy and the grains are only half-cooked. We must wait until the pot has finished cooking so everyone can eat together," he told a sweltering crowd outside the palace earlier this month.

Haitians seem infinitely patient but then Haiti is a nation without expectations. The country's history has gone from slavery, through the military dictatorships of the Duvaliers and their Tontons Macoutes, and then to Raoul Cedras's execution squads—with little in between. What the people want is justice. Amnesty International estimates that during the military dictatorship, between 3,000 and 4,000 people were executed by the military, the police or their political front, FRAPH.

In Haiti there is a tradition of revenge and purging. When Jean-Claude "Baby Doc" Duvalier left the country in 1986 for American-funded exile in France, the people took revenge on their oppressors: burning homes, murdering the former supporters of the regime in the street.

Yet since Aristide's return in October, international police monitors, sent in from all over the world, say they do not know of a single politically motivated revenge killing. Aristide is preaching reconciliation, not revenge. "We are talking about the process of reform. We have to reform the judicial system and we have to reform it in the right way. I have to do my job as head of state and

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ensure that the people I have given that responsibility to, like my new minister of justice, carried out the task correctly. There will be justice but it takes time."

Aristide's problem is that although he may have a new minister of justice, there is no judicial system, most of the judges are corrupt, the police will take at least a year to start producing the new recruits trained by the Royal Canadian Mounted Police, and a recent international report on the prison system recommends a total overhaul of "subhuman conditions".

"We can't move towards revenge, we cannot move towards violence," Aristide says. "We have to create a state of law through justice. We are saying no to impunity. It is not a matter of blessing impunity but of establishing a justice system. The people know that and know that it will happen."

He believes he has time to stabilise the country before the UN withdrawal in 1996. He says the rise of the Republicans in the American Congress does not worry him. "Bill Clinton has had a great success in Haiti and I'm sure that the Republican Party is as keen as Mr Clinton is to see that success continue. I have no fear that the US will not continue to support me."

"After the rule of the tyrant," Graham Greene wrote in a 1968 book on Duvalier, "Haiti ought to be given the chance to be ruled by heroes." Haiti has its hero, and doesn't care if he is dancing the American tune or embracing right-wing economic policies that may turn the country into a Caribbean sweat-shop serving Chicago chain stores. In his goal of moving people from "misery to dignified poverty", Haiti seems willing to give Aristide all the time he needs.

Radio Notes Foreign Nations' Electoral Aid Donations

FL1802023395 Port-au-Prince Signal FM Radio in French 1130 GMT 17 Feb 95

[FBIS Translated Excerpt] The electoral law will be published in a few hours. A source close to the National Printing Office has told us that workers had to step up their efforts on 16 February to meet the publication deadline. Marie-Laurence Jocelyn Lassegue, secretary general of the Provisional Electoral Council [CEP], has said that elections will be held three months after the law is published. Our source reports that the electoral law was modified slightly before the 45th legislature voted on it. The Haitian Government will put 12.5 million gourdes, USAID $2.7 million, Canada $1.5 million, France $1 million, and the European Union $2.5 million into organizing the upcoming elections. Voter registration will take 30 days, the campaign will take 15 days, the election will take three days, and the review of files will take 20 days. It will take one day to publish the list of candidates.

The National Front for Change and Democracy—Aristide's party—wants 16 December family members to sign a five-year transitional democratic pact, even though such a pact could complicate matters regarding the 30 September family.

[Signal FM adds during its Creole newscast at 1230 GMT: "Ambassador William Lacy Swing has reported that the United States has released $10.5 million to be put toward the elections. The United States has already put $2.3 million at the CEP's disposal. A special fund has been created for this purpose. Ambassador Swing added that the United States is consulting the CEP on how to manage the first installment, which is already in CEP hands."]

Deputy Backs Executive Advisory Council's Establishment

FL1802003195 Port-au-Prince Signal FM Radio in French 1130 GMT 17 Feb 95

[FBIS Translated Excerpt] Deputy Antoine Joseph, a member of the Movement for the Establishment of Democracy in Haiti, believes that an advisory council is needed at this particular point in time to help the executive branch evolve in a democratic atmosphere. While Joseph agrees that the Constitution does not mention the need for an advisory council, he points out that the Constitution does not make any provisions for an institutional vacuum either. Joseph says he served as Haitian ambassador to the recent meeting of EU and African, Caribbean, and Pacific countries, saying that he encouraged European countries to help the Provisional Electoral Council:

[Begin Joseph recording, in Creole and in progress]...so that the executive branch can legally avoid having to make unilateral decisions. Many people are afraid that the executive branch might make unpopular decisions, personal decisions. Many people want an advisory council to cooperate with and supervise the executive branch. As the name suggests, the executive branch could consult the advisory council before issuing decrees on certain important decisions. [passage omitted] [end recording]

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Deputy Criticizes U.S. Envoy Over Monetary Council

PA2102045495 Mexico City EL FINANCIERO in Spanish 20 Feb 95 p 7

[Report by Victor Gonzalez]

[FBIS Translated Text] Deputy Francisco Suarez Davila has said it would be very reproachable for Mexico to accept, due to "dogmas or fashion," a foreign imposition of a monetary council, because monetary sovereignty, even political sovereignty, would be condemned to "loans and handouts" from other countries. Accepting it would entail incorporating a "primitive rule" and would imply "going back 100 years in history."

He has said sovereignty would face serious risks after losing economic policy instruments and turning the central bank "into a simple register to exchange pesos for dollars and vice versa," and the most dangerous aspect is "that there are Mexicans willing to support it (monetary council) in order to promote their ideas and condemn everything to foreign whim."

The chairman of the Finance Commission of the Chamber of Deputies has also criticized meddling by U.S. Ambassador to Mexico James Jones in the country's internal affairs when he proposed the creation of a monetary council. Suarez Davila added this council is being promoted by U.S. economists, not with an altruist or theoretical goal but to defend the interests of their clients who want a low exchange rate that is no longer sustainable or advisable.

The PRI [Institutional Revolutionary Party] legislator has insisted in a critical tone: "It is very unadvisable for the U.S. ambassador to talk about our monetary system, to talk about the one that is advisable for us or for his country." He added "as a nationalistic federal deputy, I stress: It is unadvisable for us to be told what to do from abroad." In an interview with EL FINANCIERO, Suarez Davila agreed to talk about the monetary council. He said it is not advisable for Mexico, because its rules "would become primitive," and large world economies, including Mexico's, cannot accept this.

He said extreme liberal systems, rigid neoliberal systems simply "no longer work." Thus, accepting a monetary council would entail "going back 100 years in history."

Suarez Davila has said if someone, from within or outside the country, disagrees with subjecting the central bank to political decisions, that person would definitely be making a serious mistake.

In response to these "unadvisable voices" Suarez Davila, who was key in the foreign debt renegotiation in 1982, went on without stopping to analyze his position:

"It is obvious the central banks of large countries, due to their autonomy, react to political considerations. In fact, the U.S. Federal Reserve, throughout its history, has responded to political as well as electoral matters."

Thus, what bank should we have? What monetary system? he has asked. It is evident, Suarez Davila has said in responding to himself, Mexico requires a central bank that is not isolated, that is not disassociated from the banking system, because the opposite would be very unadvisable.

He has said the Bank of Mexico cannot be condemned to economic fluctuations, to total isolation, because this would be a serious mistake. He has recalled that as in large countries, the Bank of Mexico here has always supported economic activity.

A critic and author of the book *Convention in Purgatory on the Future of Mexico*, in which he has predicted the country's problems, Suarez Davila has said:

"Given that this is a U.S. idea (creation of the monetary council), it will be obviously resisted in the country, because we have always rejected any kind of meddling."

He has said, however, the most dangerous fact is that there are Mexicans who in promoting their ideas "want to condemn us to foreign loans and handouts."

He added: "Behind this are U.S. economists who support this scheme not with altruist or theoretical goals, but to defend the interests of their clients, who in order to avoid losing more money, want the return of a very low exchange rate that is not sustainable nor advisable. It is very reproachable."

The legislator added the Bank of Mexico's charter "is good." He recalled the central bank has had a distinguished history, and now, during difficult times, it could regulate the exchange policy in keeping with the situation, without becoming rigid.

He has warned, however, "laws are to be observed, and he has described as contradictory the fact that now there are voices denying the Bank of Mexico its autonomy."

In response to those who support the creation of the monetary council, "to my friend" Antonio Sanchez Gochicoa, president of the Programming and Budget Commission of the Chamber of Deputies, Suarez Davila said large economies do not require monetary councils but, rather, strong and autonomous central banks.

Report: Flow of Illegal Immigrants Continues

PA2002143195 Madrid EFE in Spanish 0928 GMT 18 Feb 95

[Report by Mabel Montoya Barragan]

[FBIS Translated Text] Mexico City, 18 Feb (EFE)—The flow of Mexican immigrants trying to enter the United States illegally has invariably continued despite the restrictions imposed by the U.S. Government, which last year deported some 500,000 illegal immigrants, according to a report from the Colegio de la Frontera Norte.

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Marcela Merino, coordinator of the Human Rights Program of the Colegio de la Frontera Norte, told EFE that according to studies conducted by that organization, the number of illegal immigrants who have crossed the border to enter the United States is the same as in previous years.

Merino, a researcher at the Colegio de la Frontera Norte located the border city of Tijuana, said that the figures given by the U.S. Government on the number of arrested illegal immigrants has been exaggerated.

While the Border Patrol has estimated that there are more than 3 million illegal entries every year, organizations in Baja California have estimated there were approximately 500,000 cases between March 1993 and March 1994 along the 3,000 km Mexican-U.S. border.

"They handle the number of people who attempt to cross the border, while we base our estimates on the number of immigrants who return from the United States," Merino said.

The Migrant's House, one of the organizations that lodges immigrants, has learned that during the past few months, some illegal immigrants detained by the Border Patrol have been deported via Mexicali, even though they entered through Tijuana-San Diego.

"By separating Mexican families, migration authorities try to discourage them from making another attempt on the assumption that frustrating their entrance into the United States also has a high economic cost," Merino said.

The Migrant's House is an organization that operates with donations from private institutions in the United States and European countries and is staffed by a group of volunteers who provide the immigrants with lodging and food.

This institution gave social assistance to approximately 12,000 persons in 1994, although there are other organizations where the immigrants' children received special attention.

Other key points at the common border are Nuevo Laredo-Laredo in Tamaulipas State, and Piedras Negras-Eagle Pass, in Coahuila, where according to statistics from the Border Patrol, 10,936 illegal immigrants were arrested in January alone.

Francisco Lara, another researcher at the Colegio de la Frontera Norte, said that U.S. immigration authorities exaggerate the figures on the number of illegal aliens who are deported in order to obtain more federal aid to stop the flow of immigrants.

So far, he said, the number of illegal immigrants has not increased significantly. Therefore, the official U.S. figures mean that most of the persons who are detained try to cross the border two or three times.

In addition, the legal entrance of Mexicans has become a controversial matter since two weeks ago President Bill Clinton proposed the charging of a toll ($3 per vehicle and $1.50 per person) for anyone entering the United States.

The Mexican Foreign Ministry and Mexican political and social sectors rejected that measure, claiming that charging a toll would affect the inhabitants on both sides of the border.

According to statistics given by the Chamber of Commerce in Baja California, commercial establishments in the U.S. city of San Diego, bordering wtih Tijuana, depend up to 80 percent on Mexican consumers that cross the border daily to buy U.S. products.

During a meeting of the Mexico-United States Binational Commission held this week, both countries agreed to respect the human rights of Mexican immigrants in U.S. territory, regardless of their immigration status. In addition, they rejected the exclusion from medical and educational services of illegal immigrants as called for in Proposal 187 promoted by California Governor Pete Wilson.

The common border has always been a controversial point in bilateral relations due to problems with industrial toxic wastes, the illegal crossing of immigrants, and constant violations of the illegal immigrants' human rights.

According to reports from the Mexican CNDH [National Commission for Human Rights], the main violations of Mexican immigrants' human rights are abuse of authority, sexual abuse, injuries, mistreatment, death, illegal detentions, and theft, in that order.

Bank Announces 10-Percent Increase in Interest Rates

PA2102013095 Mexico City Radio ACIR Network in Spanish 0000 GMT 21 Feb 95

[Report by Alba Rosa Baez; from the "Evening News Panorama" newscast]

[FBIS Translated Text] Today, the Bank of Mexico announced a 10-percent increase in short-term interest rates in order to attract foreign capital, to lower the cost of the dollar, and to decrease inflation indexes. This measure, according to the central bank, will be provisional in nature and will strengthen the peso's exchange rate vis-a-vis the dollar, because it will allow a normalization in the international flow of capital.

The goal is to prevent the exchange rate from continuing with the high levels registered in recent days, because these levels negatively affect consumer prices and the financial situation of foreign currency debtors. The Bank of Mexico believes this action will give ample opportunities so midterm and long-term interest rates will decrease in a sustainable manner within a short time, to the benefit of those who have debts in Mexican pesos.

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Mexican Petroleum Issues Communique on Crude Oil Exports

PA2102021195 Mexico City NOTIMEX in Spanish 0006 GMT 21 Feb 95

[FBIS Translated Text] Mexico City, 20 Feb (NOTIMEX)—Today, state-owned Mexican Petroleum (Pemex) stated the Mexican Government will still be free to manage its crude oil exports even though it was offered as a guarantee for the U.S. financial package.

In a communique, the enterprise affirmed its position on the negotiations the Mexican Government is carrying out in the United States for the implementation of a $20-billion line of credit.

The communique stated that Pemex and the Bank of Mexico will be able to freely use, without any restriction whatsoever, funds resulting from its oil exports, as in previous credit negotiations that included the country's participation.

According to Pemex, the U.S. Government would only have access to those funds as a contingency, if the Mexican Government fails to fulfill any of its obligations.

"Mexico pledges that the (U.S.) Treasury Department may have access to some of its oil export revenues" in the remote possibility—and only if this occurs—that it fails to fulfill its obligations, the agency stated.

Attorney General's Office Probing Pemex Fire in Tabasco

PA1802032895 Mexico City Radio ACIR Network in Spanish 0000 GMT 18 Feb 95

[Report by Alma Rosa Baez; from the "Evening News Panorama" newscast]

[FBIS Translated Text] At a news conference a few minutes ago, Adrian Lajous, director of Mexican Petroleum, Pemex, ruled out that the explosions at the Pemex installations in Tabasco State were deliberate or intentional actions. This is what he said:

[Begin Lajous recording] According to the observations and investigations by specialized Pemex technicians, it must be noted that, so far, no evidence has been found to make us presume that the fire was the result of sabotage. Nevertheless, to erase any doubt about its origin, the Attorney General's Office has been asked to undertake an investigation. [end recording]

Adrian Lajous also reported that one of the 23 people injured in the accident died 15 minutes ago. She was identified as 48-year-old Luz de Alba Martin Rivera. The injured people are being treated for burns and smoke inhalation.

Lajous also said the export of liquefied petroleum gas will be temporarily halted. He said the supply of natural gas will begin to be reestablished in about 15 minutes. Within 48 hours, 85 percent of the supply will be reestablished, and, within five days, the supply will be 100 percent normal. As for the liquefied gas, 70 percent of the supply will be reestablished. It will take seven days to completely reestablish the supply of liquified gas. He also ruled out that Pemex customers will suffer from this lack of supply.

Employers Confederation Rebukes Zedillo on Decisionmaking

PA1802192795 Mexico City LA JORNADA in Spanish 17 Feb 95 p 48

[Report by Raul Llanos Samaniego]

[FBIS Translated Excerpt] The Employers Confederation of the Mexican Republic (Coparmex) rebuked President Ernesto Zedillo yesterday for his incongruent and inconsistent political decisionmaking and demanded he honor the economic promises made during his swearing in and contained in the Agreement of Unity to Overcome the Economic Emergency (AUSEE). [passage omitted]

Coparmex, an organization grouping 47 business centers and seven unions of the country, established its position on the Chiapas conflict and the current economic situation. On the latter, it demanded from the government "compliance with a commitment made (by Ernesto Zedillo) in his inauguration speech" to support employers and workers of small- and medium-size companies as never before.

In an official communique, Coparmex stated that in view of the current difficult economic situation businessmen are facing, it is necessary for the current administration "to comply with the commitments" it has made within AUSEE.

It argued: "No steps have been taken a few days before the expiration of AUSEE to establish an honest and simple tax framework or to implement a profound deregulation," and "the solution of the crisis cannot be based on the bankruptcy of companies and the anguish of millions of Mexican families," Coparmex warned.

On the Chiapas conflict, the business organization, headed by Antonio Sanchez Diaz de Rivera, demanded that the government be consistent and congruent in its decisions by echoing society's will. He said in this regard we "condemn" Governor Eduardo Robledo's resignation, because it obstructs the establishment of an authentic state of law.

He also urged that any agreement offered to the Zapatist National Liberation Army (EZLN) be made directly, without intermediaries, and that it be revealed to the people. [passage omitted]

Deputy Director: Sidek Group, Subsidiaries Not Bankrupt

PA2002013195 Mexico City EL FINANCIERO in Spanish 17 Feb 95 p 8

[Report by Connie Ochoa Gomez]

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[FBIS Translated Text] Guadalajara, Jalisco State, 16 Feb—The Sidek Group of Jalisco and its subsidiaries "are not bankrupt." The $19.5-million moratorium decreed on payments to its creditors is simply a mechanism to extend payment terms due to the situation the country is facing.

Jose Julian Franco Oyanguren, Sidek Group deputy director, has made this statement and has denied the group is insolvent, because the value of its assets is double its liabilities.

During an interview at Sidek offices, Franco Oyanguren has said the Sidek Group and its subsidiaries owe a total of $1.5 billion, but the decreed moratorium involves a total of only $19.5 million.

He has admitted that another $100 million in debts will be due in February and March but that the group is already negotiating with its creditors.

The Sidek leader has revealed that, besides negotiating with international creditors, they are also seeking help from Mexican banks that have shown interest in helping the Jalisco group. Franco Oyanguren has declined, however, to name the credit institutions with which they are holding talks.

He has denied the corporation is facing a serious situation. On the contrary, the company has adopted this measure to prevent a temporary liquidity problem, which has been motivated to a large extent by the economic situation, from worsening the group's standing.

Franco Oyanguren has stressed the economy has deteriorated in past months, and given that the group is involved in promising businesses such as steel and tourism, the firm has decided to support "and take care of company operations and jobs."

He has said that more than 9,000 people directly depend on the Sidek Group and that 20,000 indirectly depend on the corporation's existence. Thus, it is essential to negotiate better payment conditions that will not limit the operation and productive capability of its companies.

Franco Oyanguren has said the Sidek Group "has paid and is capable of paying," as demonstrated by the fact that for more than 25 years "we have been very respectful of our creditors, and the firm has always punctually honored its commitments."

He has said, however, that current conditions have changed considerably and that we are now witnessing a lack of liquidity in the financial system, higher interest rates by the week, and an unstable exchange rate that tends to lower the value of the peso. This has forced us "to reconsider how we are paying."

The company, he added, is capable of generating resources to honor all its obligations, but it must first take care of plant operation and, in turn, maintain jobs.

Sidek Group Suspends Payment on $19.5 Million Debt

PA1802035095 Mexico City XEW Television Network in Spanish 0430 GMT 16 Feb 95

[From the "24 Hours" newscast]

[FBIS Translated Excerpt] The Sidek Group from Jalisco State, the most important Mexican tourist operator, has suspended payment of its short-term debts in dollars to foreign creditors because of a lack of liquidity. This $19.5 million debt fell due today and was contracted by its subsidiaries Situr, Simec, and Kapital Haus.

A press release issued by Sidek explains that if it paid the $19.5 million, the group's lack of liquidity would worsen after its subsidiary Simec suffered currency exchange losses in December amounting to nearly $341 million.

The Sidek Group is negotiating the restructuring of its debt with creditors. It also is holding talks with Mexican banks in an effort to obtain new credits.

According to foreign stock exchange sources, the Sidek Group faces short-term debts that are about to fall due amounting to $400 million. According to New York brokers Morgan and Stanley, Sidek's consolidated debt topped $1.486 billion on 31 December.

The Sidek Group has its main offices in Guadalajara, Jalisco State, and is run by brothers Jorge and Jose Martinez Guitron. Sidek, which has experienced financial expansion over the past six years, has affiliates that include the Situr Group, Simec Group, Sinam Group, and Kapital Haus.

Sidek is one of the Mexican enterprises listed on the New York Stock Exchange. It is considered the No. 1 tourist firm in Mexican territory, handles 25 percent of all hotel occupancies, and controls 45 four- and five-star hotels. [passage omitted]

Zedillo Speaks to Labor Congress About Chiapas, Economy

PA1802024195 Mexico City Radio ACIR Network in Spanish 0000 GMT 18 Feb 95

[From the "Evening News Panorama" newscast; passages within quotation marks recorded]

[FBIS Translated Text] President Ernesto Zedillo met with members of the Labor Congress [CT] today. He told them that the Chiapas conflict will have to be resolved through political means and within the framework of the law. The president warned that his government will not renounce its responsibility to preserve the sovereignty of our territory. It was inadmissible that there be two sovereign territories in Chiapas State: the constitutionally governed territory of the state of Chiapas and the territory under the control of the Zapatist National Liberation Army [EZLN]. Speaking to the representatives of the Mexican labor sector, the president reiterated

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once again that the dialogue for a political solution of the Chiapas conflict remains open but that the Mexican Government has to act to reestablish the conditions and the state of law. He expressed satisfaction with the reaction of the Mexican Army, which in 72 hours last weekend recovered a territory that for nearly 13 or 14 months was under the control of the EZLN. Rosy Ahuatzin Vasquez will give us details:

[Ahuatzin] Politics and law are the solution to the Chiapas conflict, President Ernesto Zedillo said when he warned that the federal government will not again relinquish its responsibility of preserving the sovereignty of our territory. During the ceremony marking the CT anniversary, the president admitted that for 14 months, the Mexican state was absent in several zones of Chiapas, but he added that it must also be acknowledged that sovereignty was recovered in 72 hours.

[Zedillo] "With clarity I reiterate today: the government of the republic will never again abdicate its constitutional responsibility of preserving the sovereignty of our territory."

[Ahuatzin] President Zedillo explained that conditions are being established in Chiapas for a political solution with full observance of the law. Politics and law, he clarified, do not exclude anyone and do not create winners or losers. The unity of wills is what will finally bring about a lasting and just solution with an honorable peace for everyone.

[Zedillo] "The channels are open so that through the observance of the law and the exercise of politics, we will advance toward a peace with justice and dignity for everyone. That peace is what you, the workers, demand. That peace is what all Mexicans desire."

[Ahuatzin] The CT marked the 29th anniversary of its creation by unionized workers. President Zedillo once again asked them for social unity, resolve, and patriotism. The economic emergency, he explained to them, will mean a temporary loss in everyone's income and that loss will only be recovered with economic growth, productivity, and effort. Zedillo Ponce de Leon reassured the working class. He said the social security system will not be privatized, and the workers' contribution to the IMSS [Mexican Social Security Institute] will not be raised. An additional explanation: In the financial assistance for Mexico, the patrimony of the Mexicans will not be sacrificed. Pemex [Mexican Petroleum] will not be privatized. Another explanation dealt with the concern about the financial and currency exchange markets. President Zedillo said that the belief that our economy is not solvent is erroneous.

[Zedillo] "The effects of a breakdown in our payment capacity would abruptly and irreversibly hurt employment and the development prospects of an entire generation of Mexicans. Its repercussions would affect the stability of the entire international financial system."

[Ahuatzin] Before leaving the CT meeting, the president reiterated that the financial aid is being negotiated with absolute respect for the sovereignty and dignity of the Mexicans.

Zedillo: Mexico Going Through National Reaffirmation

PA2002042395 Mexico City Radio ACIR Network in Spanish 0200 GMT 20 Feb 95

[Report by Rosi Ahuatzin; from the "ACIR Radio News" newscast]

[FBIS Translated Text] President Ernesto Zedillo has promised to act firmly but with moderation to lead Mexico toward progress, peace, and well-being. In his speech to officers and troops during the ceremony commemorating Army Day, Zedillo said Mexico is going through a phase of national reaffirmation during which we must maintain the proper balance: We want democracy, but within the institutional framework. We also want pluralism, but with unity. We want changes, but with certainty:

[Begin Zedillo recording] Discrepancies? Yes, but with respect and tolerance. Defense of our institutions? Yes, but respecting human rights. Authority? Yes, but never authoritarianism. Total freedom? Yes, but without hindering other people's rights. Justice? Yes, but for all. [end recording]

Zedillo dignified the work carried out by the Mexican Army and institution and said he wants peace and works for peace. He reiterated that on behalf of national unity as president of the republic, he will not give up the defense of our sovereignty, as that would be attempting against the essential value of our independence. Here is what he said:

[Begin Zedillo recording, in progress] ...of our independence. Assuming that its defense permits concessions or hesitation is ignoring the spirit that has forged the Mexican nationality. Today, as always, that defense and that spirit are exemplified by the Mexican Army. [end recording]

Government Secretary: Army, PGR To Remain in Chiapas

PA1702132795 Mexico City XEW Television Network in Spanish 0430 GMT 17 Feb 95

[Bulletin issued by Government Secretariat in Mexico City on 16 February]

[FBIS Translated Text] 16 February 1995—2245 hours

The presence of the Attorney General's Office [PGR] and the Mexican Army in the area that was outside the law for 13 months is aimed at ensuring the security of the population and preventing violence.

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The Federal Government cannot relinquish its constitutional responsibility for preserving our sovereignty and guaranteeing a state of law in the entire national territory.

To continue to comply with those objectives, both institutions will remain in this area under all circumstances.

Thousands March To Demand Army Withdraw From Chiapas

PA1902043395 Madrid EFE in Spanish 0254 GMT 19 Feb 95

[FBIS Translated Text] Mexico City, 18 Feb (EFE)—Tens of thousands of people marched today through the main streets of Mexico City to demand that the Mexican Army pull out of the state of Chiapas, where last week it undertook an offensive against the Zapatist guerrillas.

The march left the Angel of Independence monument toward Constitution Plaza, where the seat of the federal government is located.

While marching through the streets, the demonstrators shouted slogans against the government and the Federal Army, while extolling the Zapatist National Liberation Army (EZLN).

During the protest, pamphlets were distributed which read, for example, "Hold on Marcos while the people rise," and "Zedillo, fascist, the people are Zapatist," to reject the government's decision to intervene militarily in Chiapas.

The protest included students, retirees, peasants, university teachers, and workers, as well as civilian organizations and unior members of the main Mexican universities.

The march turned into an act of homage for rebel leader Subcommader "Marcos," given that demonstrators carried photographs of the Zapatist leader with legends that read: "Wanted: accused of opening the people's eyes."

Most demonstrators covered their faces with ski masks and the handkerchiefs the Zapatists call "paliacates."

The protests were called for by the opposition Party of the Democratic Revolution (PRD) and by the National Democratic Convention, a civilian organization that was formed in August in an EZLN initiative aimed at forming a transition to democracy government.

Former PRD presidential candidate Cuauhtemoc Cardenas called for a dignified solution for the parties involved in the Chiapas conflict.

"Our democracy is such that there should be peace in Chiapas, a political solution be negotiated with the EZLN, and we should all admit that in this political solution we are offering a dignified solution for all of those fighting on either side of the firing line," Cardenas said.

He said that the government has to back down from its 9 February decision when it ordered the capture of the Zapatist leader, given that it "is inadmissible to strike under the pretext of opening negotiation" as part of a military offensive.

Cardenas believes that the arrest warrants against the Zapatist leaders should be annulled and the alleged rebels who were jailed last week, charged with belonging to the EZLN, should be freed.

It is necessary, he said, to stop the propaganda campaign that has created a lynching atmosphere and suspend the threats that today prevent the most elemental forms of dialogue.

Since the government revealed the identity of Subcommander "Marcos," who in reality is called Rafael Sebastian Guillen, and whose capture the government ordered, popular demonstrations demanding a political solution to the crisis have increased.

The many calls to return to a political solution forced the government to change course and on Tuesday it ordered the Army to suspend its advance in the Lacandona jungle, where the guerrillas have retreated.

Details of 11 Feb Pro-Marcos Protest

95CA0135A Mexico City LA JORNADA in Spanish 12 Feb 95

[Article by David Aponte; received via Internet]

[FBIS Translated Text] Tens of thousands of urban "Marcoses" took to the streets and took over Constitution Plaza. Their faces no longer hidden by the bandanna of fear, they challenged "the new McCarthyist policy."

Francisco I. Madero Street, the facade of the National Palace, and the Metropolitan Cathedral resounded with the cry of "Todos somos Marcos, todos somos Marcos" [We are all Marcos, we are all Marcos].

The Zocalo [main square] was filled with tens of thousands of men, women, and children, more than 100,000 the people on the platform said, and all of them, their hands raised in a V sign, were chanting: "Marcos aguanta, el pueblo se levanta, Marcos aguanta, el pueblo se levanta" [Marcos, hold out, the people are rising up].

It was all to put a stop to the war, to give the wounded truce in Chiapas a breather.

The chant began along the Alameda Central [main boulevard] and continued along Madero and 16 de Septiembre, entered the Zocalo, and resonated off the cathedral: "Todos somos zapatistas, todos somos indigenas, todos somos Mexico" [We are all Zapatists, we are all Indians, we are all Mexico].

The rally began at the Angel of Independence tower. The first wave took off at 1630 hours with Cuauhtemoc Cardenas in the lead, amid shouts of "Marcos, Marcos, Marcos."

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The human river turned on to Paseo de la Reforma. The bandannas began coming off faces near the statues on that avenue. One was placed on the metal figure of General Juan Jose de la Garza, flag in hand and wearing an EZLN [Zapatist Army of National Liberation] sign.

During the march the former PRD [Party of the Democratic Revolution] candidate waved smiling at the people who were leaning out of buildings and stores. PAN [National Action Part] Deputy Rodolfo Elizondo appeared on the scene by the Fiesta Americana Hotel and greeted the PRD lawmakers, who invited him to join the march.

"I have other activities pending," he said, excusing himself.

During the trek Veracruz Senator Heberto Castillo made a cameo appearance, shook Cardenas' hand, and vanished.

The caravan turned on to Juarez Avenue and continued along Francisco I. Madero. The first contingent entered Constitution Plaza at 1750 hours, when the columns were filling Paseo de la Reforma. A long human river stretched from the Angel to the capital city's Zocalo.

"This is not a demonstration; this is a bona fide movement," the PRD deputies remarked.

The bandannas of fear began to fall off in the streets that run into Constitution Plaza: "Unete pueblo y tendremos paz, unete pueblo y tendremos paz. Todos somos Marcos, todos somos Marcos" [People unite and we will have peace. We are all Marcos]. Banners and balloons began appearing among the demonstrators. There were also some rifles with white handkerchiefs.

No to war. An end to the military confrontation. An end to the massacre of Indians. These were the rallying cries of the thousands of marchers, of the urban "Marcoses" who dared to "challenge the new McCarthyism of Attorney General Antonio Lozano Desgracia."

And the initials of the rebels, of the criminals, of the lawbreakers welled up in their throats: "E-Z-L-N, E-Z-L-N, E-Z-L-N," the finishing touch being the red and black spray-paint graffiti on the downtown area's cobblestone streets: "El EZLN no caera" [The EZLN Shall Not Fall].

The urban "Marcoses" gradually took over Constitution Plaza. They settled in opposite a platform that had been set up outside the Metropolitan Cathedral. Amid applause and cheers for the EZLN, the first columns entered the square. Photos of General Zapata, Deputy Commander [subcomandante] Marcos, and Bishop Samuel Ruiz began appearing everywhere.

At the microphone, Jesusa Rodriguez asked the crowd to stop paying taxes so that the federal government could not spend "a single peso on the war." By the platform a long line of speakers, people "suspected" of having ties to the EZLN, was waiting their turn.

Fists raised high, the crowd began chanting another rallying cry: "Todos somos sospechosos, todos somos sospechosos" [We are all suspects].

The crowd then spurned the new PAN attorney general, "Lozano Desgracia," booing PAN and its members.

On the platform, another speaker asked about the peace that "the tenant of Los Pinos" had offered. "He should resign!" was the response, thumbs pointing down.

They had the same suggestion for Attorney General Lozano, whom they compared to the former assistant attorney general, Javier Coello Trejo. The PRD deputies would make the official request, lawmaker Salvador Martinez de la Roca informed the crowd.

Microphone in hand, he asked the gathering to ask UNAM [National Autonomous University of Mexico] to grant Deputy Commander Marcos an honorary doctorate. "The brain drain is not to the United States; it is to the Lacandon Forest," the legislator added.

Porfirio Munoz Ledo's turn came. He spoke of the Mexican Government's secret commitments to Washington, the $52 billion loan in exchange for oil, and the blood of the Indians.

"The time has come to say 'enough,' to say no to the PRI-ocracy, but also no to the PAN-ocracy, because both are committing an affront to history."

Sweating after his speech, he told his fellow party members: "These idiots discovered that 'Marcos' is not 'Marcos,' that the armed men were armed. What bastards!"

The contingents kept on arriving in Constitution Plaza. Cuauhtemoc Cardenas proposed a new truce for Chiapas, but without deceit, without an attorney general who would order actions just like the ones during the finest eras of McCarthyism.

"Today we have filled Constitution Plaza, and we will be back here a thousand and one times to put an end to this government that is causing the loss of life...One life is more important than the 50 billion or so dollars...No to war, yes to dialogue, yes to peace," he proclaimed.

The chant filled the square and echoed off the walls of the cathedral: "Todos somos marcos, todos somos zapatistas, todos somos delincuentes" [We are all Marcos, we are all Zapatists, we are all criminals].

Before the rally ended, when all of the contingents were finally there, the thousands of men, women, and children observed a minute of silence in memory of those who had fallen in the first fighting of 1995. They raised their hands and made the V for victory sign.

Tens of thousands of "Marcoses" took over Constitution Plaza and challenged the "new McCarthyism."

Defense Secretary: Armed Forces Not Evading Mission, Duty

PA2002042595 Mexico City Radio ACIR Network in Spanish 0200 GMT 20 Feb 95

[Report by Rosie Ahuatzin; from the "ACIR Radio News" newscast]

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[FBIS Translated Text] General Enrique Cervantez Aguirre, secretary of national defense, has said the Armed Forces have acted in the Chiapas conflict in keeping with their constitutional duties and in keeping with the wise instructions given to them by the president. He has said: We obey our supreme commander by not carrying out offensive actions, because we believe political solutions have not been ruled out. General Cervantez Aguirre has said this does not create conscience problems for the Armed Forces:

[Begin Cervantez recording] Today, we honestly say before our supreme commander and the nation that we are not evading our mission and duty, but we want peace. [applause] I reiterate, we are not facing conscience problems, but we need peace for Mexico to achieve justice. To achieve unity, harmony, and progress and to help Mexico reach its goals of dignity and greatness, which it deserves, the Mexican Army is fighting for peace. [end recording]

The National Defense secretary has said the Army is popular at this time. He has said its loyalty for the country's institutions is undeniable. He also has said the Army is respectful of the law and has not been a liability for the republic. Cervantez Aguirre added the Army is a serious and reliable institution. Along with the government and people, it is a strong defender of the country's sovereignty. Cervantez Aguirre has said: We exist to make our nation permanent. We are never going to be an element of unrest or uncertainty but, rather, an element of certainty, stability, and progress.

EZLN, Army Said To Clash at Entrance to Chiapas Jungle

PA2002014495 Madrid EFE in Spanish 0015 GMT 20 Feb 95

[FBIS Translated Text] Lacandona Jungle (Mexico), 19 Feb (EFE)—A group of members of the Zapatist National Liberation Army (EZLN) clashed with Army troops this weekend in Nuevo Momon, in the southeastern state of Chiapas.

Carlota Botey, deputy for the opposition Party of the Democratic Revolution (PRD), has told EFE that there were three clashes at the entrance to the Lacandona Jungle and that the first one occurred the morning of 18 February.

Botey, who was among the members of the so-called National Democratic National Convention [CND] who stayed overnight in that town Saturday night, has said there was a second clash at noon and another one early today.

She added the Armed Forces have remained silent about the incidents and have refused to inform representatives from civilian groups if any soldiers were wounded or killed.

The three clashes took place in the same place where Colonel Hugo Manterola was ambushed by an EZLN commando on 10 February, the first day of the military offensive when the Army raided communities under EZLN control to capture its leaders.

The members of the CND, created by the EZLN to establish a transition government, stayed overnight in Nuevo Momon under strict security measures implemented by the Army, which prevented them from going to the areas where mortar and machine-gun fire could be heard.

Meanwhile, it was learned the Army searched several houses in the town of Vicente Guerrero, also located in the conflict area, looking for rebels and installed checkpoints near the community, whose inhabitants fled toward the mountains in view of the military offensive.

The governmental National Human Rights Commission (CNDH) has sent a delegation that met with Indians and peasants who have been interrogated by the Army and accused of belonging to the EZLN.

EZLN Requests Return of Army Troops to Barracks

PA2102040395 Mexico City LA JORNADA in Spanish 20 Feb 95 p 20

[Report by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 19 February—The Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the EZLN [Zapatist National Liberation Army] has requested, through Commander Ramona, that the Mexican Army troops return to their barracks—they have advanced through the Lacandona Jungle, provoking the departure of thousands of Indians from their communities—and it has reiterated its appeal for a dialogue with the federal government.

A video shows Ramona seated at a table, and a white flag with the EZLN's letters is seen on the background. The CCRI-CG member requests protection for Bishop Samuel Ruiz Garcia, "who has struggled so much for peace," and she reasserts that the Zapatist movement is an Indian movement that began "many years ago to tell the world the peasants of Chiapas are afflicted with hunger and diseases."

Ramona is sick. "Perhaps I will die soon," she admits. When she refers to the pullout of the military forces, she says this is the only way the children, women, and men will return from their hiding places in the mountains "to continue working for a better future."

Visibly weak, Commander Ramona, who was reported dead because she had not appeared in public since March 1994, says many Indians like her are also sick and hungry.

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"Many children, women, and men are also sick. We have many diseases, but we have no access to doctors, medicine, or hospitals. We are hungry. Our food is tortillas and salt. We eat beans when we can get them. Milk and meat are almost unheard of. We lack many services other Mexicans have." This is the picture depicted by Ramona in a video delivered to the media on 19 February.

She also talks about the continuous exploitation of the Indians. "We are exploited when we go out to work. They exploit the craftsmen in the markets. They exploit the women who work as servants in the cities. They exploit the women and men who work in the markets," Ramona states in the CCRI-CG.

She recalls: "We have requested democracy, justice, and dignity" ever since the EZLN appeared in public, adding now "we also request peace."

Referring to this point, she reasserts the EZLN's appeal for a dialogue with the federal government. The dialogue was interrupted on 19 December when it was announced the Zapatists had broken the military siege.

They ask the Mexican people, the country's women, the young people, and all the national population: "Do not forget us, do not leave us alone, help us build the peace we want so much."

Commander Ramona particularly asks women to "wake up and sow in their hearts the need to organize," because "idle hands cannot build the free and just Mexico about which we dream."

Commander Ramona issues the Zapatist rallying cry from the Lacandona Jungle: "Democracy, justice, and dignity."

Guerrillas Find 'No Tangible Conditions' for Dialogue

PA2002162895 Hamburg DPA in Spanish 1431 GMT 20 Feb 95

[FBIS Translated Text] San Cristobal de las Casas, Mexico, 19 Feb [date as received] (DPA)—The Zapatist guerrillas said today "there are no tangible conditions" for reestablishing a peace dialogue with the government of Ernesto Zedillo because the militants of the Zapatist National Liberation Army [EZLN] are being "persecuted" and "Army troops are marching on" the jungle.

In a communique released in Altos de Chiapas, the region where San Cristobal de las Casas is located, "Mayor Ana Maria" reiterated that the guerrillas' main condition for negotiating with the government is that troops be withdrawn to the positions they had been occupying until 8 February.

"Ana Maria" responded this way to the initiative presented Friday [17 February] by San Cristobal Bishop Samuel Ruiz. Bishop Ruiz urged the two parties to renew the dialogue before the end of the month to avoid a war.

Mayor Ana Maria, who has been acting as the rebel movement's spokesperson since the beginning of the operation ordered by President Zedillo on 9 February to caputure "Subcommander Marcos," stated: "The government does not want to resolve the conflict. It wants to annihilate us."

Ana Maria said that "because of the government's aggression, it is impossible for the Zapatist rank and file to establish a dialogue and reach an agreement."

The Zapatists were pushed by Army troops to the heart of the Lacandona Jungle, near the border with Guatemala, where they have been virtually isolated for the past ten days.

The latest communique signed by Subcommander Marcos, the hunted rebel leader, is datelined 9 February, the day President Zedillo ordered the Army to enter the area which was then occupied by the rebels, to arrest Marcos.

Ana Maria said that in spite of the EZLN's expressed "predisposition toward a dialogue" since the beginning of the military operation, the Army continues "cornering" it in the jungle.

She said: "They are pushing us into a corner from which we can either fight or die." She added: "We will fight if they force us into that, and we will wage guerrilla warfare if we are left no other other option."

The Zedillo administration has not responded yet to the dialogue initiative presented by the mediator.

EZLN Issues Communique 17 Feb

PA2102042295 Mexico City LA JORNADA in Spanish 20 Feb 95 p 6

[Communique issued by Subcommander Marcos, of the Zapatist National Liberation Army, "from the mountains in southeastern Mexico" on 17 February]

[FBIS Translated Text] Brothers, this is rebel Subcommander Marcos.

My voice is the voice of the Zapatist National Liberation Army [EZLN].

Communique from the Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the EZLN.

Mexico, 17 February 1995
To the people of Mexico.
To the people and governments of the world.
To the national and international media.

Brothers: The CCRI-CG declares the following:

First. The Federal Army continues to advance in the Lacandona Jungle, and they find deserted communities, because the civilians prefer to go to the mountains rather than be victims of the soldiers' arbitrary actions.

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The federal Army's actions have been to destroy, steal, devastate, and plunder the communities they enter. The civilians who have had the misfortune of falling in their hands are tortured and interrogated. Furthermore, they are arrested illegally, disappear, and some are murdered.

Second. The EZLN has demonstrated its willingness to reach a political solution to the conflict, but the federal government has replied with a double face. It has spoken of peace and dialogue and, meanwhile, prepared its brutal military attack. When it had arranged everything, the government broke the dialogue and unleashed the military offensive in the Lacandona Jungle.

The government does not want to resolve the conflict. It wants to annihilate us. It could not buy us and now wants to destroy us, but it will fail again.

Third. Although it has been betrayed and attacked, the CCRI-CG has ordered its troops to withdraw to their mountain positions and avoid, as much as possible, all armed clashes with the punitive expedition of the supreme government. In this way, the EZLN confirms its willingness to hold a dialogue and addresses the national and international civilian society to value this as evidence of the Zapatists' true political will.

Fourth. A radio broadcast we heard today informed us that a legislative commission, consisting of members of several political parties, is calling for suggestions to renew the negotiations.

The EZLN responds:

There are no tangible conditions for dialogue. The Zapatist communities and the EZLN troops have taken refuge in the mountains, and the government aggression makes it impossible for the Zapatist rank and file to dialogue and reach a consensus regarding a dialogue.

To renew dialogue, it is indispensable that the Army leave the Lacandona Jungle and return to the positions it held on 8 February 1995.

Fifth. The EZLN is not two-faced. Its willingness to hold a dialogue is and has always been sincere. We have proven our political disposition many times.

Today, we confirm to the people of Mexico what we said in the so-called dialogue for peace and reconciliation for Chiapas that was held in San Cristobal de las Casas, Chiapas, on 21 February 1994.

We are willing to continue along the road to reach a political solution if it is dignified and true.

Sixth. Although we have repeatedly declared we are willing to hold a dialogue, the federal government continues to corner us and is leading us to a dead end street to fight or die. We will fight if they force us. We will move to guerrilla warfare if they leave us no other choice. We will talk if the dialogue they offer is dignified and true.

Brothers: We only expect lies, humiliation, and death from the supreme government.

We expect the national and international civilian society will allow us to take a position and have a decent life. To live or die with dignity is again the only alternative for the Zapatists. The people of Mexico and the international community have the final word. We will listen.

Democracy!
Liberty!
Justice!

From the mountains in southeastern Mexico.
For the CCRI-CG, Rebel Subcommander Marcos.
Mexico, February 1995
Mayor Ana Maria, Commander David, Commander Javier

EZLN Replies To Zedillo 'Ultimatum' 9 Feb

PA1702012095 Mexico City LA JORNADA in Spanish 13 Feb 95 p 10

[Communique issued by the Clandestine Indian Revolutionary Committee-General Command of the EZLN "from the mountains of southeastern Mexico" on 9 February]

[FBIS Translated Text] Mexico

9 February 1995
To the Mexican people:
To the peoples and governments of the world:
To the national and international press:

The Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the Zapatist National Liberation Army [EZLN] states the following:

First, in reply to Mr. Ernesto Zedillo's ultimatum of 5 February 1995 in the city of Queretaro, Queretaro State, we state:

1. Mr. Ernesto Zedillo has already made a decision. Capable of choosing between, on the one hand, favoring a peaceful transition to democracy, defending national sovereignty, changing the course of the national economy's current brutal path, and providing a just and honorable solution to the demands by the Mexican Indians, and, on the other hand, leading reactionaries, continuing to plunder our resources to benefit foreign pocketbooks, continuing the economic program based on lies, and satisfying the thirst for vengeance of the ranchers and large merchants in southeastern Mexico, Mr. Zedillo has chosen to serve the powerful, the haughty, and the arrogant by humiliating the poor.

2. Mr. Ernesto Zedillo has issued an ultimatum to the EZLN rebel forces. He has immediately received the applause and support of the absolute lords and rulers in Chiapas, the support of the usurpers of the government in the southeast, and the satisfaction of foreign big business.

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3. The EZLN has given constant signs of its willingness to hold a dialogue. Confirmation of this willingness can be provided by the government representatives involved in the resolution of the EZLN armed movement.

4. Now, inexplicably, when the EZLN representatives were concluding the details for a new meeting with the government delegates and the Indian communities that support our just cause, and just when the two sides were beginning to discuss the points in the agenda for an upcoming dialogue, we receive this ultimatum.

5. The EZLN regrets this surprising change in the federal executive's willingness. The EZLN does not bow its head to threats. For years we lived that way, threatened by the great lords and their private armies. Tired of that, we took up arms to demand what is the right of any human being anywhere in the world: liberty, democracy, and justice. We will not hold talks under threats, and we will respond to intimidation by strengthening our decision to reach the ultimate consequences to achieve a satisfactory, just, and honorable solution to our needs.

6. Mr. Zedillo wants to make the Congress of the Union an accomplice in the use of military force to confront our cause. Aided by a Congress with a PRI [Institutional Revolutionary Party] majority, Mr. Zedillo wants to obtain legal approval to suspend civil rights, declare a state of siege, and authorize the massive and indiscriminate use of the federal Army against the rebel Indians.

7. The dialogue the evil government wanted was with an EZLN on its knees. It has been mistaken since 1 January 1994, because we have been on our feet. We will speak on our feet, we will fight on our feet, and we will live or die on our feet.

8. The surrender of the wealth of our national subsoil, especially petroleum, is what is behind the government's current decision. High-ranking U.S. and Mexican Government spheres are aware of the existence of rich high-quality petroleum deposits in the lands of Chiapas. The EZLN is an obstacle to the supreme government's plans of treason. This the price of the loan: The debt must be paid with Mexican blood, especially Indian blood.

The supreme government is preparing its criminal blow. It is preparing the media, the legislative and judicial branches, the Armed Forces, and paramilitary groups. The EZLN is preparing its resistance. There is no more dialogue. The evil government wants to speak by calling to arms.

Second, at 1600 today, 9 February 1995, hundreds of federal Army troops took up positions in the municipal capitals of San Andres Sacamach, Simojovel, and Sabanilla, and they reinforced with thousands of soldiers the garrisons of Ocosingo, Altamirano, and Las Margaritas. Minutes later, the evil government issued, via the radio and in the voice of Mr. Ernesto Zedillo Ponce de Leon, a number of statements about and threats to the EZLN and our just cause.

Third, with regard to the arrest in Mexico City and Veracruz State of some people said to be members of the EZLN, we are waiting to receive information about these people to learn whether or not they are members of our Army. As the EZLN has said in previous communiques, this organization has always admitted it has forces in other states of the country. They all obey orders from the CCRI-CG of the EZLN not to carry out offensive military operations against government forces or installations.

Fourth, regarding Mr. Zedillo's serious charges against our EZLN, claiming that we refuse to talk and that we have been preparing a series of acts of violence to extend our territory, we firmly declare these claims to be false. Our disposition to talk and find a fair and honorable solution to the conflict has been demonstrated through statements by our leaders and by the detente agreed upon with the government secretary on 15 January 1995. The EZLN has always clearly displayed that it is in favor of a political, fair, and honorable way out of the conflict. The supreme government, through its representative, Esteban Moctezuma Barragan, has done nothing but lie to the Mexican people and to us.

The EZLN categorically denies it has been trying to procrastinate or prepare for belligerent actions that run against its decision to abstain from carrying out offensive actions for an indefinite period of time, while negotiations for a stable truce continue. The EZLN delay in responding to government messages has resulted from the fact that the members of the CCRI-CG of the EZLN must be consulted and from logistical problems in the mountains of Mexico's southeast.

It is evident that the supreme government ignores the grave isolation in which it has always held the Indian communities.

Moreover, it is our distrust of the government's alleged will to talk that prevents a continuation of the rapprochement for a political solution. The belligerence of the white guards [parapolice that support large landholders in the countryside] in the states, the evictions that employ excessive force, arbitrary arrests, and the lack of serious dialogue proposals by government representatives makes a serious meeting impossible. As the Zapatists see it, the government's decision to take a military approach to the conflict was adopted in the United States, and Mr. Moctezuma only tried to give the government some additional time by pretending to favor the dialogue while the supreme government was preparing the farce of the arrests in Veracruz and in the Federal District, ironing out military details, and waiting for the end of the rainy season to carry out the planned massacre. The two faces of the government's representatives today can be seen behind the arrest warrants and the military bayonets.

Fifth, with regard to the slander that the EZLN leadership is neither Indian nor from Chiapas, the EZLN declares that it has no supreme command other than the CCRI-CG, which is composed entirely of Chiapas Indians.

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With regard to rebel Subcommander Marcos, he is neither from Chiapas nor an Indian, as he declared on 1 January 1994, but he is Mexican and obeys our political command and our organization and no one else. Military matters are directly his affair, and he has no military superior. In our military structure, no one else has the rank of subcommander.

Regarding EZLN links with the "National Liberation Forces," the EZLN has explained through interviews, letters, and communiques that, at the beginning, members from various armed organizations in the country united and that this is how the EZLN was born. Then, gradually, the Indian communities began taking positions until they finally took over the political and military leadership of the EZLN.

In addition to the National Liberation Forces as a predecessor of the EZLN, the government should add the names of all of the guerrilla organizations of the 1970's and 1980's, as well as Arturo Gamiz, Lucio Cabanas, Genaro Vazquez Rojas, Emiliano Zapata, Francisco Villa, Vicente Guerrero, Jose Maria Morelos y Pavon, Miguel Hidalgo y Costilla, Benito Juarez, and many others erased from history books, because a nation that remembers is a nation of rebels.

We repeat: The EZLN is an organization of Mexicans, mostly Indian, directed by a committee comprising representatives of the various Chiapas ethnic groups, and no member is non-Indian.

Sixth, regarding the government threat to enter Zapatist towns with federal troops and policemen allegedly to search for the person they accuse of being rebel Subcommander Marcos, the EZLN declares this sounds like a good pretext, and that the EZLN will resist and defend itself if it is attacked by government forces.

Seventh, the CCRI-CG of the EZLN reiterates its willingness to seek a political way out of the conflict through a dialogue without threats, pressure, or military attacks.

Eighth, if in spite of this reiteration of our willingness to talk, the malevolent government maintains its warlike plans, the EZLN declares that it will not surrender. We will fight and die, but we will never kneel again.

Democracy! Liberty! Justice!
From the mountains of southeastern Mexico
CCRI-CG of the EZLN
Mexico, February 1995

EZLN General Command Letter to Zedillo

PA1602225895 Mexico City LA JORNADA in Spanish 13 Feb 95 p 7

[Letter from the Clandestine Indian Revolutionary Committee-General Command of the EZLN to Mexican President Ernesto Zedillo, issued in Chiapas on 10 February]

[FBIS Translated Text] Chiapas, Mexico, 10 February 1995

To Ernesto Zedillo Ponce De Leon
Mexico City, 1995.

Mr. Ernesto Zedillo: We do not know where you have gotten so much money to mobilize hundreds of armored personnel carriers, helicopters, and thousands of federal troops to kill Mexicans and Indians.

We, the Zapatist Indians, know that our country is experiencing an economic crisis; that you are reducing workers' salaries; and that you are increasing prices. Despite those things, you are spending large amounts of money to mobilize your army.

You, Mr. Zedillo, believe that killing Indians and other defenders of our motherland will enable you to crush the Zapatist National Liberation Army [EZLN]. Mr. Zedillo, you want to defeat the Indian struggle because you believe it is an obstacle to your remaining in power and continuing to grow rich at the expense of the lives of many Mexicans. All of this, Mr. Zedillo, will be registered in the annals of Mexican history, as Hidalgo, Allende, Aldama, Morelos, and other revolutionaries such as Zapata and Villa were also registered in the annals of our history. In those times, powerful people like you sought to obliterate the revolutionaries, erase them from our Mexico, and you are now doing the same to today's Zapatists. You should know, however, that although you may be able to destroy our bodies, you will never defeat our struggle. You can lop off our leaves and stalks, but not our roots.

We also want to let you know that you can spend the $40 billion to water our Mexican soil with Indian and mestizo blood. You can ask the United States for more dollars to modernize your army and to kill Indian fighters, to kill Mexicans and Mexican and Chiapas children; your fellow countrymen, as you boast.

Mr. Zedillo, we accuse you of betraying the motherland because you use all the money you receive from the United States to kill Mexicans. Mr. Zedillo, you are selling our country piece by piece.

You boast that your troops are acting without harming the population and without provoking clashes with our Zapatist troops. You are lying again, Mr. Zedillo. We, the Indians, are enduring the pressure from your soldiers. They are bombing and firing at us, and they are starving our children to death since we cannot be in our homes to provide them with what little food we have.

Mr. Zedillo, if you do not measure the possible consequences of this war you have declared against us, if you truly seek to kill the people and you do not want to find a political solution to this problem, we, the Indians—along with the civilian population—will urge the entire world to support us and to realize what kind of government we have in Mexico.

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We also want to clarify to you that we do not belong to any other force or organization except our EZLN. You and your accomplices are accusing us of being terrorists, drug traffickers, criminals, and so on. We want to tell you the truth, if you do not know it yet: You are the criminals, the terrorists, and the drug traffickers. The members of your cabinet, your soldiers, are the ones who traffic in drugs. They force the Indian peasants to sow marijuana and other drugs. Have not you realized this, Mr. Zedillo? We, the Zapatists, have realized this because we live with our people, we are the people. We have fought against the drug cultivation and drug trafficking in which your own soldiers are engaged and have engaged within the territories we have controlled.

Mr. Zedillo, you are accusing us of many things of which we are not even aware.

The weapons we have today we received from members of your Judicial Police, Public Security, and Federal Army, because they are allowed to traffic in weapons. Mr. Zedillo, that is the profession of your armed forces: They traffic in weapons and drugs; therefore, they are the drug addicts, criminals, and terrorists.

We, the members of the EZLN, have the honor of being upright in our struggle for our peoples and our nation.

It is true that we have lived and tried other kinds of fights for the benefit of our peoples, but they were not enough to carry our message to the big, powerful leaders who today misgovern our Mexican nation.

Subcommander Marcos has been with us among the people for more than 11 years. He has led the same life we have, eaten the same food we have, and suffered with us, and every step taken by our Zapatist cause has been with our people's approval. Mr. Zedillo, our cause is just and we are not afraid of you.

Therefore, Mr. Zedillo, if you truly feel honored and proud of being a Mexican, do not send your troops to kill our people. Ease your pressure against Subcommander Marcos, because there are many Marcos in Mexico who will continue this struggle.

You are making a serious mistake with the decision you have made against us. You believe that by killing Chiapas Zapatists or that by killing Subcommander Marcos you can crush our struggle. That is not true, Mr. Zedillo. The Zapatist struggle is all across Mexico. Zapata has not died; he lives and will live forever.

We, the Indians, know Subcommander Marcos well and will not let anything happen to him, and if something does happen, we will not sit back and do nothing about it, because we Zapatists do not betray the blood of our dead.

We, the members of the CCRI [Clandestine Indian Revolutionary Committee], want to know if your last word, Mr. Zedillo, is war and a decision to the kill Mexican Indians or capture all Zapatists. We will not have any other option but to defend ourselves. We are willing to do whatever you want, except betray our cause. You may capture and torture us if you want, and you may also use part of the $40 billion to enlarge your prisons, because the current facilities are not enough to house even one-fourth of the Mexicans and Zapatists in Chiapas. To defeat the Zapatist movement, you would have to kill thousands of children and Indians and mestizos.

We want to know, Mr. Zedillo, if this is your last word, because until now we have received the order to fall back to prevent clashes with your Army. However, if we must, we are willing to die because we, the Indians, have nothing to lose, and we are aware of the danger and are willing to die if necessary. We are not afraid of dying anymore, because our lives are not worth living anyway. We have nothing else to face but misery; exploitation; and a lack of freedom, justice, and democracy in our country. We tell the truth, which is what you, the powerful ones, want to hide from the Mexican people. We had hoped that some day our people would be able to live with dignity and justice—yes, with peace, but also with dignity and justice.

Mr. Zedillo, we remind you that the Zapatists were willing to talk and find a political solution to our problems. We gave you our conditions for a truce to begin a dialogue, but your response was to send more soldiers, airplanes, helicopters, and armored personnel carriers and to further militarize the state of Chiapas. Then, how do you expect us to react? Do you want us to lower our heads again? Do you want us to kneel before you as you are used to? No, Mr. Zedillo. I believe you know well that we Indians have suffered 500 years of deprivation and exploitation in the hands of powerful people such as yourself. Do not waste your threats because that will not get you anywhere with us.

We again reiterate our willingness to talk and find a political solution to this problem, but only provided that you ease the pressure on Subcommander Marcos, and under the conditions you already know; otherwise, you will not accomplish anything but to stain your hands with Mexican blood.

[Signed] Fraternally, the CCRI-General Command of the EZLN
[Issued] Chiapas, Mexico, 1995

EZLN Communique Protests Army Actions in Chiapas

PA1702022895 Mexico City LA JORNADA in Spanish 14 Feb 95 p 6

[Communique issued by the Clandestine Indian Revolutionary Committee-General Command of the EZLN "from the mountains of southeastern Mexico" on 12 February]

[FBIS Translated Text] To the Mexican people:
To the peoples and governments of the world:

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To the national and international press:

The Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the Zapatist National Liberation Army [EZLN] announces the following:

1. In the morning hours of 9 February, hundreds of armored personnel carriers and transportation vehicles carrying federal troops were deployed to the town of Guadalupe Tepeyac in San Pedro de Michoacan Municipality, territory under EZLN control. This deployment was supported by some 30 helicopter gunships that carried out low-altitude flights and landed in Aguascalientes, the CND [National Democratic Convention] Headquarters.

The federal troops entered Guadalupe Tepeyac by force, dislodging and expelling all civilians and members of the International Red Cross.

On 10 and 11 February, 30 helicopters intensified overflights all day and night, increasing the existing danger of an all-out war. Hundreds of tanks and military vehicles entered the towns of La Garrucha, Champa, San Agustin, Santa Lucia, Monte Libano, Taniperlas, La Union, and others, totally encircling and isolating the area. On 11 February, two helicopters dropped five bombs near Altamirano and La Garrucha, and they machine-gunned several civilian towns in territory under EZLN control.

Federal soldiers, along with policemen, are detaining and torturing civilians. This afternoon, the town of Rosario Ibarra in Ocosingo Municipality was seized and those arrested are being tortured, including women and children. A government official in this town was brutally tortured, having one of his arms cut off. Women are being threatened with having their children taken away to force them to name the organizations to which they belong.

The CCRI protests these actions with the pain a human being feels from learning of the barbaric acts and the dirty and genocidal war the federal government headed by Ernesto Zedillo Ponce de Leon has unleashed against the EZLN.

At the time this communique is being written, EZLN troops along with civilians have retreated to prevent, as much as we can, a clash and battle with federal troops. There is no indication, however, that the government intends to reduce the pressure and is willing to negotiate.

Mr. Zedillo's message is false; it only contains pretexts to justify the dirty war being conducted in areas under EZLN control.

The CCRI clarifies it has no links with the detainees who supposedly are Zapatists. We do not recognize any other organization or force. The only organization we have is the EZLN.

We know Rebel Subcommander Marcos. He was born in the Lacandona Jungle 11 years ago. Since then, he has lived with us, the Indians of Chiapas. Marcos, as all CCRI members, knows nothing special and is not special. He is just another representative, just as the CCRI, of the Indians and neglected people.

2. The CCRI is the EZLN's only chief. We do not recognize any other leader or force. We do not know any of the detainees. The EZLN clarifies that it has not deployed its troops to other areas since 19 December 1994.

3. The CCRI-CG of the EZLN reiterates its willingness to participate in a dialogue, but under the condition that the federal government must withdraw its troops from areas under EZLN control.

We want the peoples of the world, the Mexican people, and the government headed by Ernesto Zedillo to know that we will not surrender and that we will resist from the mountains.

If the federal government headed by Ernesto Zedillo wants war, it will have war. However, if it wants dialogue, the EZLN is willing to talk and seek a political solution to the problems.

4. That is the situation. Ernesto Zedillo's government once again is showing its incapacity to resolve the problems of misery and abandonment in Chiapas and Mexico. He has returned with lies and a genocidal war, once again dishonoring his role as supreme commander of the Armed Forces and head of the nation. We want to tell you again that we will not surrender, that we will resist.

Democracy! Freedom! Justice!
From the mountains of southeastern Mexico
On behalf of Rebel Subcommander Marcos
CCRI-CG of the EZLN
Mexico, February 1995

EZLN Leaders Said Divided, Against Subcommander Marcos

PA1802192595 Paris AFP in Spanish 0122 GMT 18 Feb 95

[FBIS Translated Text] Mexico City, 17 Feb (AFP)—Government sources have told AFP that rebel Subcommander "Marcos" has approximately 630 men under his command and that the EZLN [Zapatist National Liberation Army] leaders are divided and against "Marcos."

The sources, who have asked that their names not be revealed, have said Zapatist informers have said the division within the EZLN "is old" and started when "Marcos" clashed with the other two subcommanders, "Elisa" and "Daniel" (who are under arrest), and Commander "German" (who is still at large).

Based on the confessions made by "Daniel" (Salvador Morales), who is being held at a maximum security prison, the sources have said that the EZLN base comprises 130 "professionals" and 500 combatants and that

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the rest are only followers from communities close to the Lacandona Jungle in Chiapas.

The sources have said they have no reports that foreigners are in the EZLN organization. There are several foreigners, however, who agree with the movement, but this point, the sources have stated, does not "constitute a crime."

The division in the EZLN started when "Marcos" extended his area of influence in the areas controlled by the rebels. This action caused "Elisa" and "Daniel" to distance themselves from the movement. In addition, according to the government sources, the rebel subcommander clashed with "German" (Fernando Yanez), whom he accused of not complying with his task of obtaining resources and weapons and ordered that his work be audited 11 months ago.

After the conflict arose between "Marcos" and the two subcommanders and Commander "German," "Elisa" left the conflict area and went to Mexico City where she was arrested on 8 February according to the government sources. "German" was displaced by Marcos, but his whereabouts are unknown. "Daniel" has had several contacts with "several offices, however, including the Mexican Army," since January and has given them information on the EZLN.

After "Daniel's" last contact, at the beginning of February, there was "a meeting" with him, and this meeting was what prompted President Ernesto Zedillo to decide to order Marcos' arrest on 9 February.

Regarding "Marcos'" identity, he is undoubtedly Rafael Sebastian Guillen Vicente, as has been confirmed by several of the people who are under arrest, including "Daniel." This identification has also been confirmed by graphology and writing style analyses, the sources have reported. The security forces already had "Marcos'" identity, but it was confirmed by the Zapatists who have been arrested. They even know, the sources have said, that the bullets "Marcos" carries in his cartridge belt are blank cartridges and that he drinks "Maalox" (an antacid medicine).

The Zapatists' resources come from foreign countries, primarily philanthropical organizations in Germany, the United States, and "other countries," but those organizations have not provided these resources in "bad faith," the sources have said. Those organizations, "which do not have a rigorous regulation to verify the use given to their resources," have sent the money "in good faith," the sources have reiterated.

The resources were sent to the Mexican Indians Economic and Social Development Organization (DESMI), whose representative, Jorge Santiago Santiago, was arrested recently and charged with being an EZLN member. Santiago has denied this allegation, but other arrested Zapatists have said he is the liaison between "Marcos" and Samuel Ruiz, the San Cristobal de las Casas bishop.

On Bishop Ruiz, the sources have said there is no "evidence" he has received resources or is in any way linked to the armed movement. The reason why it is thought Bishop Ruiz is linked to the EZLN is because the Zapatists' area of influence is in the San Cristobal diocese, and several of the catechists that started their work in 1983 were involved in the social work done by the Zapatists.

The sources have even said several of those catechists have joined the EZLN "out of personal conviction" and are among its 130 "professionals."

Regarding the rumor that the Route-100 union (urban transportation government firm) had sent money to the EZLN, the sources have said that this report is being investigated but that "we do not believe in reports that are not fully backed with evidence."

The sources added: "We suppose they (the Zapatists) could have obtained financing through abductions and bank robberies."

Chiapas Acting Governor on PRD Invitation To Hold Dialogue

PA1802192395 Mexico City XEW Television Network in Spanish 0430 GMT 18 Feb 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Julio Cesar Ruiz Ferro, acting governor of Chiapas, gave his opinion today on the recognition given to him by the PRD [Party of the Democratic Revolution] in Chiapas yesterday. Ruiz Ferro accepted the invitation made by the PRD to hold a state dialogue with the participation of all political forces, saying this is a sign the PRD wants to talk:

[Begin Ruiz recording] I welcome the invitation, because it is in keeping with the efforts to sit down and talk about the various problems in the state. I welcome this initiative by the PRD, which we have, in fact, already started working on. We have held talks with the various political forces, including the PRD. [end recording]

He also said one of the priorities of his government will be to resolve the state's agrarian problems via a dialogue, because it is the fundamental cause of the problems in Chiapas.

Reporters See No Evidence of Bombings in Zapatist Zone

PA1702024495 Paris AFP in Spanish 0054 GMT 16 Feb 95

[By Antonio Ortega]

[FBIS Translated Text] La Garrucha, Mexico, 15 Feb (AFP)—There is no evidence supporting Zapatist guerrilla charges of "bombings" and "strafings" in towns that had been under rebel control in the region of San Miguel,

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La Garrucha, and Patihuitz, where the Mexican Army has maintained a strong presence since this weekend.

Today, the first day the media has had free access to Zapatist National Liberation Army [EZLN] "territory," AFP has verified that in San Miguel, approximately 160 km northeast of San Cristobal de las Casas, which served as the entry point for reaching the conflict zone, the people are uncertain and say they know of no clashes or human rights violations.

In San Miguel, Pascual Santis, an Indian, said the federal Army arrived Saturday with light tanks, trucks, and soldiers and that the guerrillas "had left earlier" with much of the population, most of whom returned to their homes Monday and Tuesday.

At the Rancho Nuevo and Ocosingo checkpoints, the soldiers say travelers "can go wherever they like," and after checking documents, they allowed journalists to pass. For a week, journalists had to depend on guerrilla and government communiques to file their reports amid a swarm of rumors and hearsay.

Last Thursday, the government launched an offensive on EZLN positions in a search for its top leader. This produced fear in the local population, a large percentage of which fled the communities out of fear.

A calm Santis affirmed: "I am not going to tell you useless lies." He said that he does not know about armed clashes and that during the days the soldiers have been in the zone, he has heard no shooting or explosions and does not know anything about "bombings or strafings" in nearby communities.

Santis said: "Why say (the federal Army) overran us? It did scare us, however. We are afraid at night. What if they decide to appear at night?" Zapatist forces had been here since January 1994.

On 13 February, the EZLN claimed that "helicopters dropped five bombs around Morelia and La Garrucha and "strafed several towns under Zapatist control."

In La Garrucha, peasant leader Ramiro Hernandez said it "is very sad" to see the houses boarded up because the town's 300 residents, except for his family of approximately 20, "fled the place," although "we have not heard shooting or bombs. Also, no one has said that this happened in other communities. Here it did not happen."

There are signs that the people of the nearly uninhabited La Garrucha fled quickly, leaving behind their animals and belongings, but there is also evidence that the military examined everything, leaving clothes, food, and personal items spread all over the Indians' pathetic huts.

Captain Briones Sosa, who would not provide his first name, said that when the troops arrived, the Zapatists were not there, adding that there has been no armed clash. He said he is not authorized to give any other kind of information.

There is no information as to how many soldiers are in the conflict zone, but more than 20 light tanks, dozens of helicopters, and hundreds of transport trucks have been moved into the area.

The authorities have denied reports of "bombings" and "strafing" in the region. The Attorney General's Office has said the charges "are completely false." The press, however, had been prohibited from entering the area until today.

The scene in towns and rural areas is one of forsakeness. Those who remain behind look at the military with distrust and say they do not know where their neighbors fled to or what route the Zapatists used to withdraw.

During the tour, which included the towns of San Miguel, La Garrucha, and Patehuitz (Ocosingo Municipality), no physical evidence was seen of bombings or strafing, and the soldiers allowed the media to move about freely but keeping them at a distance from their installations. Meanwhile, the townspeople said they were afraid, because they do not know what is going to happen next.

A peasant who refused to give his name said: "I was asked if I was one of these gentlemen (Zapatist), and I told them no, that this is why I stayed to take care of my children and my little piece of land. Then they asked me nothing else."

It has been reported that in the town of Morelia (Altamirano Municipality), where according to the guerrillas there had been attacks, the townspeople fled en masse, but nongovernment organizations have reported they have not confirmed whether human rights were violated or if there were military clashes.

A Pastors for Peace mission entered the jungle region to seek information about the situation. Soldiers are offering the people who stayed in their homes food and medical attention to reestablish order and win their trust.

Conai Presents Initiative for Peace

PA1802044195 Mexico City NOTIMEX in Spanish 0154 GMT 18 Feb 95

[FBIS Translated Text] San Cristobal de las Casas, 17 Feb (NOTIMEX)—The independent National Mediation Commission [Conai] today presented an initiative calling on the parties in conflict to establish the basis for a peace dialogue in Chiapas.

The document, known as Integral Initiative for a Dialogue, suggests that the parties commit themselves to renewing, through the mediation commission, the talks initiated on 23 December 1994.

Conai, acknowledged as a mediation body by both the government and the Zapatist National Liberation Army

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[EZLN], which rose up in arms in January 1994, proposes that the basis of the dialogue be established through an agreement so that it may begin before the end of February.

The document also calls for establishing a stable truce pact to become effective by March, at the latest.

In the so-called Emergency Initiative, Conai says that it is still possible to prevent "war and genocide" because the EZLN has not taken any offensive military actions since the Mexican Army seized towns previously controlled by that organization.

The Emergency Initiative includes a call for "sufficient guarantees to the EZLN so that it may participate in the dialogue with all the necessary securities."

The document presented by Conai, which is presided over by Bishop Samuel Ruiz of San Cristobal de las Casas, Chiapas, also discusses the amnesty bill proposed by Mexican President Ernesto Zedillo and to be analyzed by congress.

The document also refers to the basis for a dialogue for peace, justice, and dignity and discusses the basic rules for participating in the dialogue.

The emergency initiative is signed by Conai members Bishop Ruiz, Concepcion Calvillo Nava, Juan Banuelos, Oscar Oliva, Raymundo Sanhez, Pablo Gonzalez Casanova, Juana Garcia de Robles, and Alberto Szkeley.

The Legislative Commission for Dialogue and Reconciliation in Chiapas, which this Thursday went to that state to try to reestablish the dialogue with the armed group, has urged the EZLN to clearly and unwaveringly speak in favor of peace.

In a radio message broadcast in Ocosingo Municipality, Chiapas, and heard in the Lacandona Jungle, the legislators asked the leaders of the armed group to make known their proposals for negotiations.

The message said: It is necessary that the EZLN establish the basis for negotiations that will permit the restablishment of social peace in the Los Altos region, in Chiapas.

Heberto Castillo Martinez, the senator from the opposition Party of the Democratic Revolution (PRD), said the Legislative Commission is concerned over Chiapas' tense social climate, which is largely fostered by the absence of dialogue.

He explained that to this is added the polarization of the various sectors involved in the Chiapas problem.

The PRD senator said that war is the worst of all paths because it weakens and delays the solution of social problems such as those that are widely experienced in this state.

"Thus the importance of learning the EZLN's position regarding the solution of age-old problems such as education, health, housing, and farming, among others," he added in his message.

Castillo Martinez said that within the next few days the national debate on the Chiapas conflict will be taken up by congress in Mexico City, where alternative solutions for the state's crisis will be discussed.

He insisted that there are no intermediate alternatives between war and peace, that it is imperative that adequate solutions be found for the dissatisfactions in the state and, especially, for the differences that exist between the parties involved in the armed conflict.

Following his message, the 11 members of the Legislative Commission traveled to Guadalupe Tepeyac to talk with inhabitants of the vicinity and to examine the situation faced by residents of that area, which was formerly controlled by the EZLN.

Later on, they flew to San Quintin, a town bordering the Lacandona Jungle, to get a close look at the needs of its inhabitants. It is known that since 10 February the EZLN has withdrew into the Lacandona Jungle.

Domestic and foreign news media representatives were invited to cover the activities of the Legislative Commission deputies and senators, but they were unable to accompany them due to a shortage of airplanes.

In Mexico City, the evangelical churches on Friday called for the definitive suspension of the arrest warrants against the EZLN leaders and for the establishment of dates for the negotiations as an immediate condition for resumption of dialogue in Chiapas.

At a news conference, the evangelical church leaders pointed out that their requests are stated in a document they will be sending to President Zedillo and the EZLN.

Abner Lopez Perez, president of this church association, pointed out that among other things, they requested that "the Legislative Commission make its efforts formal and official" and "that Conai statements and proposals be viewed as a valid popular voice."

The evangelical churches hereby establish "that the Mexican people be addressed openly and honestly" and, in the economic order, they called for "the implementation of stabilization mechanisms as soon as possible to preserve national sovereignty," he added.

Lopez Perez pointed out that it is necessary "to wage a frontal attack on poverty, to establish fiscal benefits and farming, industry, and trade procedure benefits, and to regularize lucrative banking activities."

The evangelical leaders acknowledged the work done by the San Cristobal de las Casas bishop as "positive," because he was only responding "to the suffering of the poor, which he has closely experienced."

Conai: Meetings on Dialogue in Chiapas Fruitful

PA1802195395 Mexico City LA JORNADA in Spanish 17 Feb 95 p 3

[Report by Jose Gil Olmos, Alonso Urrutia, and Elio Henriquez]

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[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 16 Feb—The legislative commission for dialogue in Chiapas has described as fruitful the meetings held on 16 February with various parties involved in the conflict. Senator Heberto Castillo warned, however, there are only two options in Mexico at this time: negotiations or war.

During a midnight news conference in which he spoke on behalf of the commission, Castillo said the National Mediation Commission (Conai) must continue its mediating efforts to achieve a political solution to this conflict.

He admitted the legislators are not judges and will not resolve the conflict in Chiapas. The people of Chiapas are the ones who will determine the means to reestablish dialogue between the parties.

Castillo insisted conditions needed to sit down to negotiate are nonexistent, although it has been said both the federal government and the Zapatist National Liberation Army (EZLN) are willing to participate in a dialogue.

At the conference, which was also attended by legislators of PAN [National Action Party], the PRI [Institutional Revolutionary Party], and the PT [Labor Party], which also constitute the commission, they urged the EZLN to convey its willingness to establish new negotiations by either supporting the amnesty bill or presenting its own proposals.

On behalf of the commission, Castillo said peace is necessary in Chiapas, but it will not suffice to uproot the situation of injustice and isolation the Indians are facing.

After reporting they met on 16 February with acting Governor Julio Cesar Ruiz Ferro and members of the Political Council of the transition government headed by Amado Avendano Figueroa, as well as with Conai members, Castillo said there is one basic agreement: stopping the war.

Following a nearly four-hour meeting with Bishop Samuel Ruiz Garcia and other Conai members, the spokesman for the legislative commission admitted it is impossible for someone being persecuted by justice, such as Subcommander Marcos, to sit down to dialogue.

He admitted, however, the Army will not be able to withdraw from communities it entered days ago if the fact there was bloodshed is not confirmed. [sentence as published]

Meanwhile, commission members have said charges of human rights violations collected during a tour of several towns on 17 February will be presented to the CNDH [National Commission for Human Rights].

On Conai's work, Castillo said its mediation role is not broken, although it is "at a low level" in comparison to previous months.

Heberto Castillo also said that on 17 February Conai will hand them a document containing an analysis and proposals to settle the Chiapas conflict that will be presented to the Congress of the Union to advance the creation of new laws to tackle and try to settle the conflict.

Although he said it is difficult for the EZLN and the government to sit down to dialogue again, Castillo said he hopes a major effort will be made to establish the necessary conditions to achieve a political solution.

Finally, he said the government still recognizes Conai as the mediator, but Castillo said there is concern over an ongoing campaign against Bishop Samuel Ruiz Garcia.

Conai Criticizes 19 Feb Acts of Vandalism

PA2102040495 Mexico City LA JORNADA in Spanish 20 Feb 95 p 4

[Report by Elio Henriquez and Jose Gil Olmos]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas State, 19 Feb—The National Mediation Commission (Conai) stated the "vandalistic acts" registered here on 19 February "do not help lessen the atmosphere of violence in Chiapas." On the contrary, they "seek to distract attention from what truly concerns Mexicans: the prevention of war and genocide."

In a communique issued the evening of 19 February, the organization, headed by Bishop Samuel Ruiz Garcia, protested the incidents and urged the state and federal governments to offer the bishop and Conai "all the necessary guarantees to continue their peace-seeking work."

Members of the mediating group stated that on 18 February, as soon as they learned about preparations for violent demonstrations on 19 February, they spoke via telephone to Government Secretary Esteban Moctezuma Barragan and Chiapas Government Secretary General Eraclio Zepeda, who "assured us they would adopt the necessary measures to prevent possible aggressions."

On 19 February, however, when Conai was meeting at the offices of the Diocese Curia "we witnessed a verbal aggression against our president, Don Samuel Ruiz Garcia, and attacks on the bishopric." They added that in the meeting room "several windows were shattered by stones, and the glass and stones fell on the table around which we were gathered."

Conai stated in the press bulletin it will remain in permanent session, because "our main concern remains the search for peace and harmony."

The Diocese filed a lawsuit against those who might be responsible for damaging national property, injury, and so on.

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The lawsuit was signed by Diocese Vicar Gonzalo Ituarte on behalf of the corresponding religious order and was filed before the agent of the federal Public Prosecutor's Office in this city.

Ituarte said while this incident was occurring at noon on 19 February, he contacted Moctezuma Barragan, who "voiced his surprise over this matter," because he had talked to Chiapas authorities the evening of 18 February to ensure appropriate measures would be adopted, but nothing was done until more than an hour later.

The vicar said he hopes judicial authorities "apply the law" to solve this case and punish those who are responsible.

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El Salvador

President Does Not Intend To Establish Ties With Cuba

BR1602153495 Madrid EL PAIS in Spanish 16 Feb 95 p 2

[Report on interview with President Armando Calderon Sol by I. Cembrero in San Salvador; date not given: "War Attracted More Money Than Peace to El Salvador, According to Calderon"]

[FBIS Translated Text] San Salvador—"The war attracted more money than peace does," bewails Salvadoran President Armando Calderon Sol, who is asking the international community for 18 billion pesetas in order to set about the programs for rehabilitation through compensation and handing over land, among others, envisaged by the peace agreements which ended the civil war three years ago. Calderon received EL PAIS in the margins of the visit which Prime Minister Felipe Gonzalez paid to El Salvador.

The 46-year-old Calderon was elected as head of state in the second round of last year's presidential election. He was the candidate of the conservative Nationalist Republican Alliance [Arena], and defeated Ruben Zamora, his Farabundo Marti National Liberation Front [FMLN] opponent.

Calderon proudly recalled that a joint delegation of the government and the FMLN opposition has been in Washington and in Europe in order to seek aid. "It is regrettable that there was more money for the war than for peace, but El Salvador was one of the death throes of the Cold War, and for some powers it was worthwhile investing in one side," he said.

The mandate of the UN Observer Mission in El Salvador—the UN mission charged with overseeing the observance of the peace agreements—expires 30 April, and Calderon revealed that he has asked UN Secretary General Butrus Butrus-Ghali for "a window to be kept open."

The Armed Forces "have understood the role which they have to play under democracy," the president asserted, "and they are setting some Latin American Armed Forces an example. I would not say so if I did not find this to be the case. I am nobody's puppet."

Dangerous Crime

Ordinary crime, Calderon acknowledges, is rife, to such an extent that if it continues to increase, "it could endanger the democratic process, because citizens are tending to take the law into their own hands," however, he trusts that this is "a short-term problem."

At the economic level, Calderon fears "the repercussions" which the Mexican crisis could have "on private investments in El Salvador." Nevertheless, he hopes to be able to carry out his economic adjustment plan, which sets a fixed parity between the colon and the dollar.

Last, Calderon does not intend to establish diplomatic relations with Cuba, despite the fact that a Salvadoran parliamentary delegation recently visited the island. "We have been victims of Cuban expansionism," he stated in order to explain his decision.

(The government yesterday warned the former military personnel who yesterday staged the disturbances in the vicinity of the president's residence that it will stringently enforce the law, and described the protests as part of a plan to destabilize the country, Madrid EFE reports.)

Nicaragua

Chamorro Expresses Willingness To Discuss Reforms

PA1702202395 Managua Radio Nicaragua Network in Spanish 1851 GMT 17 Feb 95

[Speech by Violeta Chamorro in Managua—live]

[FBIS Translated Text] Dear Nicaraguans: In an attempt to continue seeking a consensus on the constitutional reforms that Nicaragua needs, and honoring an invitation I extended yesterday, I was visited by the directorate of the National Assembly. The decisions of state branches must be made with harmony and patriotic prudence while seeking the greatest consensus possible. Otherwise, we will run the risk of turning back on the path upon which all Nicaraguans have already advanced.

The various organizations and groups with which I have met during the consultation process on these reforms have voiced this desire. Convinced that dialogue and democracy must prevail in our country, I attentively listened to the ideas and proposals of the National Assembly president and directorate members. After reflecting on this, I want Nicaraguans to know that for the sake of my fatherland, I am willing to begin negotiations on the issue of the implementation of constitutional reforms, as we discussed with the National Assembly directorate, although there is, constitutionally speaking, no deadline for the promulgation of such reforms.

In view of the fact that I have received notification from the judicial branch not to promulgate the constitutional reforms because amparos have been filed before the appeals courts, I am hereby expressing my willingness to immediately begin a dialogue on the implementation of these reforms for the sake of peace, stability, and democracy in Nicaragua. Once we have reached an agreement on this issue, we will proceed to promulgate and publish the reforms in keeping with the Constitution. Today, more than ever, I ask God to illuminate all of us for the sake of our beloved Nicaragua.

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Panama

Last of Rafters Said Transported to Guantanamo

PA1802194995 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Feb 95

[Report by Alexander Calderon; from the "Day to Day" newscast]

[FBIS Translated Excerpt] The last Cuban rafters installed at the camps at Empire Range were transported to Guantanamo this morning. A total of 140 Cubans, including sick rafters, traveled to Guantanamo on board military flights. The Cubans expressed their frustration and sadness through the grilled screen of the only Panamanian buses in which they have ever traveled, but, ironically, they were going to be returned to the military base they left once upon a time with their heads high and the hope of becoming free in democracy. [passage omitted]

The Cubans were returned to Guantanamo two weeks before the expiration of the six-month stay in Panama. After being told that period would not be renewed, at least 50 of them tried to commit suicide, and 1,200 staged disturbances and tried unsuccessfully to escape from the camps. As a result, two rafters drowned attempting to swim through the Panama Canal. Although five Cubans are still at large, search operations with the support of Panamanian police are still in force. [passage omitted]

An intense security operation was implemented throughout the entire operation to transfer the Cuban rafters in order to prevent new disturbances. Only about 30 rafters remain in Panama for medical reasons. They will also be sent to the U.S. military base in Cuba. This small group of Cuban rafters will leave for Guantanamo on board two special flights from Howard Air Force Base on 19 and 20 February. The media will not be allowed to cover those flights.

Lawyer: Local Courts Must Try Suspect Wanted in U.S.

PA2002193495 Panama City LA PRENSA in Spanish 20 Feb 95 p 5A

[Report by Jose Otero]

[FBIS Translated Text] Only Panamanian courts have the jurisdiction to try Pedro Miguel Gonzalez and doing the opposite violates national sovereignty, Carlos Castillo, Gonzalez's lawyer, pointed out.

Gonzalez, who is the son of Gerardo Gonzalez, the Democratic Revolutionary Party [PRD] president, was accused of being an accomplice in the June 1992 murder of U.S. soldier Oswell Zak Hernandez.

Carrillo was referring to the petition filed by a U.S. court requesting the transfer of the trial to that nation. The lawyer explained that this case cannot be transferred to foreign jurisdiction as the Panamanian courts do not have conclusive evidence against his client.

He added that in any event, Gonzalez's trial would be in the hands of Panamanian justice which is the only one that has jurisdiction over the case. "Doing the opposite is a flagrant violation of Panamanian sovereignty," he underscored.

Gonzalez had said that only local courts could try him in Panama, otherwise, international principles would be be violated.

"We are entirely convinced that both Panamanian and U.S. authorities will have to admit that there is no conclusive evidence against Pedro Miguel Gonzalez to begin a legal process," Carrillo maintained.

In this regard, Foreign Relations Deputy Minister Omar Jaen asserted that the Pedro Miguel Gonzalez case is a legal issue and that his institution will not "intervene in it."

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Argentina

Menem Admits 'Very Strong Pressure' To Devalue Peso

PY1702021795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1920 GMT 16 Feb 95

[FBIS Translated Text] Buenos Aires, 16 Feb (NA)—President Carlos Menem today admitted that the government had received "very strong" pressure to devalue the peso but categorically denied the possibility of modifying the current Argentine foreign exchange scheme.

"That is impossible. If the results are good, and they will certainly get better, I do not see why we need to devalue," the head of state emphasized.

The president said that such a monetary measure would hurt "workers who would see the purchasing power of their incomes drop from one day to another" while benefiting "those who have resources and can export."

Menem revealed that he had received "very, very strong" pressure to devalue the peso and drop the convertibility plan. The president did not say, however, who had exerted that pressure.

"We received all kinds of pressure, particularly this president. Lobbies were very active from the very moment we established the foreign exchange parity scheme," Menem stressed.

He added, however, that those lobbies "got absolutely nothing."

Talking about the issue of devaluation, Menem said rumors were fueled "by the fantasies of ad hoc economists," and recommended that the public believe in "serious and responsible economists" like Roberto Alemann and UCeDe [Democratic Center Union] Deputy Alvaro Alsogaray.

"You must believe those economists to know where we stand," Menem said, in an interview with Radio "9.90."

He also downplayed the importance of the crisis affecting the banking system after the fall of the Extrader and Basel Banks.

"The other banks are doing all right," Menem said, referring to all other banks. He supported his statements with figures on increases in deposits.

"Dollar deposits are increasing, and deposits in pesos are stable. The repercussions are weakening," Menem said.

The president insisted on linking the Mexican crisis' repercussions on the stock market with the global character of the world economy.

"This is not occurring only in Argentina. It is happening everywhere in the world," the president said.

Menem said the national government's sale of Treasury Notes on 13 February was "entirely successful."

The president stressed that on 15 February he had a meeting with foreign bank representatives, adding that they "expressed admiration for the success of the Treasury Notes sale."

Meets Cardoso, Holds News Conference

PY2002151795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1138 GMT 19 Feb 95

[FBIS Translated Text] Puerto Iguazu, Argentina, 19 Feb (NA)—Argentine President Carlos Menem and Brazilian President Fernando Henrique Cardoso have stressed that there is "total and absolute" mutual trust in the two countries' foreign exchange policies. The two presidents expressed trust that the two nations' increasing trade will help solve the problems of unemployment and poverty in both countries.

Menem and Cardoso confirmed that the two countries will maintain their foreign exchange policies, reiterating that "no agreement is necessary" to fight the phantoms of devaluation.

Cardoso confirmed his trust in the economic situation of his Mercosur [Common Market of the South] partner by saying that Brazil "is not concerned" over the difficulties affecting the Argentine banking system.

Cardoso even said we cannot speak about a crisis hitting Buenos Aires banks.

Menem went even further: "We do not have a banking crisis in the Argentine Republic; on the contrary. We had problems with two or three banks, that is all," the Argentine president said.

"A total of 400 banks are operating, and the processes to privatize provincial banks are yielding good results," Menem said.

The two presidents held a joint press conference at the Hotel de las Cataratas after their second and final meeting within the framework of the two cabinets' joint working summit.

Cardoso and Menem also discussed the problem of unemployment and poverty in their countries, saying they trust the increase in trade will help solve both problems.

"Poverty worries us, but it is not the only or exclusive concern. We want to increase our trade and create solidarity programs to gradually solve the problem of poverty," the Brazilian president said.

Menem, in turn, said: "We will gradually solve our unemployment and poverty problems if we increase our production and our exports."

"Of course we are concerned with our unemployment indexes, but I think we are going to overcome this problem. President Cardoso has just said that our trade

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will increase to $10 billion this year. This will give us a chance to reduce unemployment and poverty," President Menem repeated.

With respect to the balance of trade (which today favors Brazil), Menem said that gas sales will "gradually balance our exchange." Cardoso had previously said that oil would be the balancing product.

"Petrobras (the Brazilian state oil company) [Brazilian Petroleum Corporation] has a 15 percent stake in the exploration and possible exploitation of gas deposits in Salta Province," Menem said.

"All the conditions are appropriate for overcoming this situation (the balance of trade account). What is important is that Brazil and Argentina have very solid and robust economies, as the North Americans say," Menem said.

The president also discussed the Mexican crisis, saying that it is the product of "a delay in transforming the Mexican state, because the government announced great changes that are still incomplete."

Menem said Argentina is "overcoming" the turbulence provoked by the Mexican disaster in our country, adding that Mexico is also solving its own problems.

The president also said that the announced Latin American aid to Mexico has been delayed because the Chilean Government "has not made a firm decision," adding that the contributions of the other countries that will cooperate with the fund is assured.

Menem said the resources Argentina will contribute to Mexico's financial aid "are ready," adding that he believed Brazil and Colombia—the other contributing countries—"are also ready" to disburse the money.

"We are only waiting for Chile" to implement the $1 billion aid package to the Ernesto Zedillo's administration, Menem concluded.

Di Tella: Devaluation of Peso, Real 'Would Be Suicide'

PY1702225195 Buenos Aires TELAM in Spanish 1916 GMT 17 Feb 95

[FBIS Translated Text] Buenos Aires, 17 Feb (TELAM)—On 17 February, Foreign Minister Guido Di Tella emphatically rejected reports contending that Argentina will ask Brazil to give it notice in the hypothetical case of a devaluation of the Real.

Di Tella asserted "it had never crossed Argentine or Brazilian authorities' minds to devalue their respective currencies, because that would be suicide." He underscored that "there has never been so much common ground in the two countries' macroeconomic situations as there is at the moment."

During a news conference held at the Olivos presidential residence following a cabinet meeting, Di Tella denied that Argentina intends to ask Brazil to give it notice of a possible devaluation of the Real.

The foreign minister pointed out: "I want to be very clear about this—it has never crossed anybody's mind to devalue. After what happened in Mexico, I think that those who are in favor of a devaluation have vanished, because a devaluation would place the economies in a critical situation."

Di Tella stated that Argentina "will not request of Brazil any such commitment," adding that presently "there is a convergence of macroeconomic policies" between both countries "to a point that has never been seen before."

Commenting on another subject, the foreign minister said that during the cabinet meeting Economy Minister Domingo Cavallo "gave a briefing on the financial situation."

Di Tella reported that Cavallo "pointed out the problem of banks, the need to rationalize the provinces' spending in general, and the fact that provincial banks should consolidate or merge with each other if necessary."

"Provincial banks have been adversely affected by the delay in effecting structural reforms. This has played a central role in overall financial problems," he reflected.

Concerning the sharp decline in the stock exchange index over the last few days, Di Tella noted that Cavallo "reported that this situation can only be reversed by giving momentum to the reform plan." In conclusion, the minister said that "as we move ahead in the implementation of substantive measures, this situation will be reversed."

Cavallo Denies Economic Crisis, Plans To Devalue

PY1702215195 Buenos Aires TELAM in Spanish 0242 GMT 17 Feb 95

[FBIS Translated Text] Buenos Aires, 16 Feb (TELAM)—On 16 February, Economy Minister Domingo Cavallo contended that the arguments put forward to describe an alleged crisis in Argentina are not relevant. He nonetheless conceded that some are true and others erroneous.

In the course of the "Hora Clave" program, the economy minister said: "They are all snide remarks. If you want to present a pessimistic outlook, you enumerate all those things. Some arguments are true, but are hardly relevant, and others are wrong."

Cavallo said that "having a record harvest of 45 million metric tons and the highest prices in this decade for our traditional exports" were relevant issues.

"Exports grew by 24 percent annually in the second half of 1994," he added.

Moreover, he said, "we have very low inflation. In the first fortnight of February, what seemed an escalation in the cost of living in January was totally reversed. Once

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again we are returning to the very low levels of inflation—nearly zero—that we had in the previous months.

"We have just had the best summer season in the last few years at all the seaside resorts and tourist places, particularly in Argentina," he added

He underscored that "direct investors (those who establish a factory, a mining company, or a chain of retail businesses) continue to make major investments in Argentina, and they are considering making new ones. These are the relevant pieces of news."

Cavallo further stated: "It is true that the Merval [index of blue chips] plunged. I have said time and again that all those who have been selling off their shares since the eruption of the Mexican crisis, but not buying others—savers rather than speculators—have made a mistake."

"On the contrary, those who are buying shares will, in the medium term—in a matter of a year or two, or even three—do very good business," he added.

The economy minister pointed out that "I would advise them against selling. I would not recommend speculating. Those who have invested in the stock exchange must remain there and wait until prices recover their normal levels."

Cavallo was of the opinion that there is a kind of financial panic that has been generated abroad due to the Mexican crisis, and this has affected all stock exchanges, including that of Chile.

"It is a kind of panic that will pass because it has no real foundation in the case of Argentina and Chile," he said.

With regard to an alleged flight of capital, Cavallo contended that this is "erroneous information. Central bank reserves—gold and foreign currency—remained unchanged from December 1994 to January of this year."

"People should be proud of Argentine banks. In many cases they were able to return about 50 percent of all the deposits they had, with no major difficulties."

Cavallo explained that this means that "they are very solvent banks. The support they received from the Argentine National Bank was only minimal."

"This goes to prove that owing to its substantial capital assets and the government's policy on high legal reserves for sight deposits, the Argentine banking system in not overly indebted; on the contrary, it is a solvent system and banking establishments are sound."

Cavallo stated: "We are going to transform this crisis into an opportunity to make headway in Argentina's economic reform. Provinces were up to the hilt in debt, and there is a crisis. Still, the cases of privatization of provincial banks are being resolved one by one."

"The budget is basically balanced. January and February are two months in which tax collection falls short of fiscal targets, but this is something that will be overcome as soon as we settle this financial situation," he noted.

The minister asserted that "we have our financial house in order in annual terms."

"We are implementing the financing program for the public sector, which is not to cover any deficit but rather to repay debts," he said.

Cavallo emphatically denied that there is irresolution within the Menem administration, and denounced that there are some "who have been alarming the population, especially over the last 10 days."

"Here nobody will ever think about devaluing the peso, either now or in the future," he emphasized.

Cavallo added that "we do not hide depressing or bad news, but we expect that both good and bad news should be reported."

Criticizes 'Speculators'

PY1702224295 Buenos Aires TELAM in Spanish 1835 GMT 17 Feb 95

[FBIS Translated Text] Buenos Aires, 17 Feb (TELAM)—Economy Minister Domingo Cavallo today said that speculators in Argentina and Brazil are pressuring the two governments to devalue their currencies. Cavallo stressed, however, that the two governments will not give in.

"Those who want Brazil to devalue are the same people who suggest that Argentina should devalue. They are so anxious to see Argentina and Brazil immersed in inflation, speculation, and hopelessness that they apply pressure from this and the other side," Cavallo said.

"All they will get is the headlines (of newspapers), because people are not in favor of dropping these successful stabilization policies in either of the two countries," Cavallo told TELAM.

Meanwhile, Foreign Minister Guido Di Tella rejected journalists' reports saying that Argentina will ask Brazil to inform it if it anticipates a devaluation of the real, as a Buenos Aires newspaper reported today.

Di Tella said at the end of a cabinet meeting at the Olivos residence that Brazil and Argentina "will not even think of devaluating their respective currencies, because that would be suicide."

Cavallo departed for Puerto Iguazu at noon. In this town, the cabinets of Brazil and Argentina, the two largest Mercosur [Common Market of the South] member countries, will hold a joint cabinet meeting presided over by Argentine President Carlos Menem and Brazilian President Fernando Henrique Cardoso.

Cavallo said that no indicator in the Argentine economy justifies the successive losses in the stock market. Cavallo admitted, however, that if the trend continues the situation might become dangerous for the real economy.

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"The (economic) signs are very positive, and I hope market operators, in Argentina as well as abroad, will see this and will reverse the climate of panic or terror that is being installed here, which is unjustified," Cavallo said.

Cavallo talked with Radio America. He said that the significant drop in stock market values since the beginning of the Mexican crisis "is an indicator of the mood of portfolio investors," who handle international investments.

Cavallo said this mood "is confined to financial markets," but admitted that "it is very dangerous if the mood affects the rest of the economy." Cavallo recognized that the problem has already made the cost of money for companies more expensive.

"We must reverse this climate. The mood can be reversed only if we can get people to look at the really eloquent indicators, those that describe the real situation of the Argentine economy," Cavallo said.

The minister said at the metropolitan airport that "those used to speculating and not to making an effort to reduce costs, are the ones who want a peso devaluation."

The minister said "fortunately, most Argentine entrepreneurs have been working for many years to increase their competitiveness."

Cavallo said "things are going well, and we do not anticipate any difficulty in that area (devaluation)."

The minister added that "the pressure for devaluation is a thing of the past, but now there is a growing conviction of the importance for all Argentines of having a stable currency."

Stock Market Has 'Rough Day,' Shares Drop 6 Percent

PY1702001695 Buenos Aires TELAM in Spanish 2009 GMT 15 Feb 95

[FBIS Translated Excerpt] Buenos Aires, 15 Feb (TELAM)—The stock market had a rough day today. The pressure produced by sales forced the price of leading shares down by 5.95 percent and the price of Bocons [Consolidation Bonds] down by as much as 5.66 percent.

In a rarefied market atmosphere, shares were traded at prices 6 percent below the prices of just 24 hours ago.

A license authorizing an agent to operate in the stock market was sold for 450,000 pesos, and there were comments inside the building that a number of agents were looking for buyers.

As is usual when the market has sharp drops, there were many explanations, which did not always agree with one another, justifying the lack of buyers' interest.

Some agents blamed the slide on the global character of markets—other regional markets also dropped—while others found more domestic reasons.

Operator Juan Carlos Falavella said that "the downslide is not only affecting Argentina, but all Latin American stock markets as well."

"Operators were also affected by some court decisions and delays in Congress in analyzing certain issues," Falavella told reporters.

The bidding of Treasury Notes did not satisfy agents either, because the fact that the government took more funds than was expected gave the impression of "disorder," which could be an indication that the government fears credit will be scarce in future biddings.

In this framework, sales predominated the entire day, and a good part of the companies found their shares at their lowest levels at the end of the day.

The stock market index dropped by 5.05 percent as a result of the rise in price of one leading share and the drop in price of 45 leading shares. The price of two leading shares remained unchanged.

The Merval index dropped below the low levels predicted by technical analysts, closing at 357.02 pesos, which is the lowest level since the Mexican financial crisis began affecting markets.

The volume of trade totaled 27.2 million pesos, or 30 percent more than yesterday, but the outcome was not favorable because the market is not finding the solid ground that could stop the slide. [passage omitted]

10th Consecutive Fall

PY1702010895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1919 GMT 16 Feb 95

[FBIS Translated Text] Buenos Aires, 16 Feb (NA)—The stock market dropped by 6.95 percent today. It is the 10th consecutive drop in 10 days, and investors were deeply concerned.

Among the causes of the new drop, agents mentioned the financial crisis affecting the region and the possibility that the government might extend the tax on wealth to shares and titles.

Prices Show Recovery

PY1702213595 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1910 GMT 17 Feb 95

[FBIS Translated Text] Buenos Aires, 17 Feb (NA)—The stock market recovered today after 10 consecutive days of continuous losses. The Merval index of leading shares rose by 6.66 percent.

The volume traded rose to the significant amount of 30 million pesos.

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Petrella Calls Peruvian-Ecuadoran Conflict 'Shameful'

PY1702141695 Buenos Aires TELAM in Spanish 1201 GMT 17 Feb 95

[FBIS Translated Text] Buenos Aires, 17 Feb (TELAM)—Deputy Foreign Minister Fernando Petrella today described as shameful the conflict that has been pitting Ecuador against Peru since 26 January.

Petrella noted: "This is something really shameful for the two countries and certainly for the entire hemisphere which must formulate another type of conditions to attract investments and continue to advance."

In remarks to Radio "990," Petrella said the agreement signed between the two countries early this morning, in which a cease-fire is formalized, "is very reasonable and reflects the Argentine stance."

The deputy foreign minister pointed out: "Unlike the unilateral cease-fire declared by the parties, this is a legal cease-fire. It is a commitment that makes them internationally liable if they violate it."

The deputy foreign minister explained: "The agreement contemplates a thorough procedure to demilitarize the disputed zone. Observers will be sent. It also contemplates something very important, which is to find a final solution to this issue."

Petrella noted that,"obviously, following the agreement signed early this morning, a new stage begins and we hope that the parties very soon will finally discuss the demarcation" of the conflict zone.

Discusses Diplomatic Role

PY2002030595 Madrid EFE in Spanish 1848 GMT 19 Feb 95

[FBIS Translated Text] Buenos Aires, 19 Feb (EFE)—Argentine Deputy Foreign Minister Fernando Petrella today, 19 February, said that the Pervian-Ecuadoran cease-fire agreement "is, to a considerable extent, the result of the success of Argentine diplomacy."

In statements to a Buenos Aires radio station, Petrella said that this agreement is partially a result of the work of Argentine diplomacy, of Argentine president "Carlos Menem, who leads Argentine diplomacy, and of Argentine Foreign Minister Guido Di Tella, who is its main executor."

During almost one month, Peru and Ecuador engaged in clashes along their common border, which concluded with a formal cease-fire agreement signed yesterday in Brazil.

Petrella explained that sending observers to check compliance with the cease-fire and the demilitarization of the area is the step coming after the agreement signed at Itamaraty Palace, in Brasilia.

"In this medium-term project, there is a central point that should not be ignored, namely, that the solution must be definitive," Petrella said, quoting Di Tella: "We will not enter the 21st century as guarantors of a conflict that looks like a 19th century conflict."

Petrella said that Argentina's "unofficial" diplomacy must give the parties involved and those who will judge the merit of the agreement "a sense of maturity to avoid harassing those who signed it, leaving the peace process to continue."

He added that the guarantors of the agreement (Argentina, Brazil Chile, and the United States) should hold consultations to see how to find a final solution, "that is, the demarcation of the borders in a stretch of approximately 80 km, in a very important geographic zone."

"The situation in both countries is logically sensitive and this is the time for the Peruvian and Ecuadoran society to resort to maximum prudence and wisdom," he explained.

Bolivia

Communique Expresses Satisfaction Over Peace Agreement

PY1802001195 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 17 Feb 95

[FBIS Translated Text] In relation to the Peruvian-Ecuadoran conflict, the Bolivian Foreign Ministry released a communique today expressing the satisfaction of the Bolivian Government and people over the signing of the Itamaraty peace agreement.

This agreement puts an end to the hostilities between Peru and Ecuador, and the Bolivian Government hopes the talks will fulfill the expectations of the two countries. The Bolivian Government also offers its participation in any action that may contribute to the consolidation of regional peace and integration.

Brazil

Cardoso, Menem on Effects of Mexican Crisis, Cooperation

PY1802231395 Sao Paulo AGENCIA ESTADO in Portuguese 1925 GMT 18 Feb 95

[FBIS Translated Text] Brasilia, 18 Feb (AE)—President Fernando Henrique Cardoso today said during a joint news conference with Argentine President Carlos Menem that the Mexican crisis did not shake the Brazilian and Argentine economies. Cardoso said: "No direct signs of the Mexican crisis have been noticed in our economies." Menem, however, admitted that the Mexican problems had repercussions in Argentina, but minimized the issue. "There is no reason for concern. Two banks have had problems, but Argentina has 400 banks," Menem added.

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Although President Cardoso denied official cooperation between the Argentine and Brazilian Central Banks, Argentine Economy Minister Domingo Cavallo reported that these financial institutions will intensify their exchange of information. He added, however, that "this has nothing to do with the Mexican crisis and its repercussions in Argentina and Brazil. We have very clear policies and know that there will be no changes."

President Cardoso asserted: "I see no signs of a crisis that may require cooperation between the two central banks." He explained that, contrary to what occurred in Mexico, Brazil is not accumulating deficits in its deposit accounts and is still attracting new foreign investments. Cardoso recalled that four years ago trade exchange between Argentina and Brazili totaled $2.5 billion, and that this year it will total $10 billion. "I don't see how the Mexican crisis will interfere with the Common Market of the South," he added.

Cardoso also said that trade between the two countries may reach the level of $20 billion in the near future. He added that what is important is that this trade exchange is good for the two countries. Last year, Brazil had a trade surplus with Argentina of nearly $1 billion. President Menem took the opportunity to point out that joint exploitation of Argentine gas and the sale of Argentine gas to Brazil may reestablish equilibrium in the two countries' trade balance. Argentina wants to supply gas produced in its northern provinces to the south and southeast regions of Brazil.

Cardoso Hails Peru-Ecuador Agreement Before Negotiators

PY1702182095 Rio de Janeiro TVE Television in Portuguese 1628 GMT 17 Feb 95

[Speech by President Fernando Henrique Cardoso at the Brasilia Air Base—live]

[FBIS Translated Text] Messieurs Ambassadors—especially the vice ministers of Ecuador and Peru—ministers, diplomats, ladies and gentlemen. With great happiness we witnessed the exchange of documents here today at the conclusion of an extraordinary effort by the countries involved in this conflict with the permanent assistance of the guarantor countries representatives.

I am pleased to recognize that this effort by Ambassador Sebastiao do Rego Barros—and as I mention his name I include the other vice ministers—places in a high position the sense of diplomacy and the spirit of peace and respect for the juridical regulations that prevail in our hemisphere.

Negotiations are always slow, difficult, and require patience, persistence, loyalty, and above everything, a desire to arrive at a constructive result.

Brazil, like the other guarantor countries, did what it could to reach this agreement. I am sure my colleagues, the presidents of the United States, Chile, and Argentina shared my dedication. During these past days I spoke many times with Presidents Sixto Duran-Ballen and Alberto Fujimori so we could arrive at the final agreement.

Thus, we maintained this dispute within our hemisphere. We maintained the spirit of the Rio de Janeiro Protocol. We maintained the dignity of each of the involved countries. The two presidents can now face their peoples and tell them, with responsibility, that they understood the appeals made and that without surrendering what they thought was fair and appropriate to ensure the Rio de Janeiro Protocol and their rights, they were able to negotiate an agreement.

I am sure this understanding will become effective just like the protocol that was signed this dawn to save whatever lives were at risk. On 21 February, some guarantor countries representatives will travel to the conflict zone to analyze the situation. Soon after, in March, observers from the four countries will be there to ensure that the agreements reached are respected.

As always, peace in a our hemisphere has been preserved. I am proud of having belonged for many years to a South American peace mission which symbolizes so well the spirit of our hemisphere. Once again we were able to resolve a dispute without appealing to third parties, without bringing in extra hemispheric forces.

In the many talks I held with the presidents of the two countries I felt the will of reaching an agreement. I sincerely hope so, and Brazil will do what it can for it to become true. I am sure the other guarantors countries feel the same as I do. I sincerely hope this will be the beginning of a lasting situation in which eventual disagreements will end around a negotiating table and more agreeably with a glass of champagne once again commemorating peace which should be lasting in our hemisphere, especially between Peru and Ecuador, with the approval of Brazil, Argentina, Chile, and the United States.

I congratulate the peoples of the two countries, and I am sure they will have an increasingly prosperous future, and an increasingly appropriate and fraternal relationship which for the American continent should constitute an inspiration of peace and solidarity among our countries. Thank you.

Chile

Foreign Ministry Expresses Satifaction With Peace Accord

PY1702191195 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 17 Feb 95

[FBIS Translated Text] The Chilean Foreign Ministry expressed today its satisfaction over the peace agreement between Peru and Ecuador. A mission of Chilean military observers will travel to the border between the two countries in the next few days.

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[Begin recording] [Unidentified reporter] Foreign Minister Jose Miguel Insulza pointed out that the agreement was reached thanks to the flexibility of Peru and Ecuador in accepting the position of the guarantor countries:

[Insulza] The Chilean Government expresses its satisfaction, along with the other countries of the American continent, for the Itamaraty Peace Declaration between Peru and Ecuador, which puts an end to the hostilities, separates the forces of the two countries, and creates the conditions for finding a final solution to the conflict.

[Reporter] Insulza said that as soon as the mission that went to Rio de Janeiro returns, plans will be made for sending 10 Chilean military observers to the Peruvian-Ecuadoran border region. [end recording]

Government Reiterates Position on Arms Sale to Ecuador

PY1602170695 Madrid EFE in Spanish 0002 GMT 16 Feb 95

[FBIS Translated Text] Santiago, 15 Feb (EFE)—Government Secretary General Jose Joaquin Brunner, who is also the official spokesman of the Chilean Government, said on 15 February that the report Bolivian military officers released about an Ecuadoran plane that overflew Bolivian territory is "mistaken" and "biased."

The report from La Paz indicated that an Ecuadoran military plane had been authorized to overfly Bolivia en route to Santiago de Chile where it was supposed to pick up ammunition produced by a Chilean company linked to the Chilean Army.

Brunner said that this "quite outdated" report was published in the Peruvian daily LA REPUBLICA two weeks ago and picked up by some Argentine and German media.

He added that 15 days ago President Eduardo Frei's administration acted in keeping with the call to prevent sales of arms to Peru or Ecuador. The latter country had signed some contracts to purchase arms from Chile prior to September 1994.

The government secretary general added that the report from La Paz quoting news media sources "contains mistaken and biased information," although he did not explain what he meant by "biased."

Meanwhile the special Peruvian envoy visiting Chile to explain his country's position in the conflict with Ecuador said in Santiago on 15 February that Peruvian President Fujimori "fully" accepts Chile's explanation on the arms issue.

Peruvian envoy Ambassador Alfonso de los Heros said Chile "explained the sales and indicated when they had ceased, so that it is clear to everyone."

De los Heros also praised Chile's efforts as one of the guarantor countries of the Rio de Janeiro Protocol which Argentina, Brazil, Chile, and the United States signed in 1942. He explained that his trip was prompted by the desire to "underscore Chile's efforts and to convey Peru's appreciations of them."

The ambassador and his companion in this mission, the historian Felix Denegri, met in Vina del Mar with Chilean President Eduardo Frei and Foreign Minister Jose Miguel Insulza.

U.S. Dollar Exchange Rate, Interests Up; Shares Dip

PY1702164895 Madrid EFE in Spanish 1342 GMT 17 Feb 95

[FBIS Translated Text] Santiago, 17 Feb (EFE)—The Chilean foreign currency market opened cautiously on 17 February following a tense Thursday during which the U.S. dollar rate rose by 4.5 pesos, and interest rates soared amid heavy trading.

The economic newspaper ESTRATEGIA published a front-page report on the rise of the dollar and interest rates. In articles published on inner pages ESTRATEGIA labeled the exchange rise "spectacular."

The daily EL MERCURIO blamed the rise on Argentine financial problems. The exchange rate opened this week at 410 pesos per U.S. dollar and went up gradually. On 16 February the rate stood at 418 pesos, having gone up over four pesos just that day.

EL DIARIO, another economic publication, reports that the Santiago Stock Exchange went through "its second darkest day this year." The preferential stock index based on the 40 highest priced shares, fell by 3.25 percent on 16 February. The index fell by 5.14 on 10 January 1995.

The fixed income market also felt the blow, and experts labeled 16 February "tense and pessimistic." Interest on coupon-adjustable promissory notes (PCRs) payable in eight years climbed to 6.36 percent, and interest rates on PCRs payable in 20 years rose to 6.2 percent.

Financial operators reported that the situation was the result of a chain of events starting with the sensitive financial situation in Argentina and Mexico, the hostilities between Peru and Ecuador, Chile's expected inflation of 0.5 percent for February instead of the initially estimated 0.2 percent, and some domestic political factors.

Among the latter, the main element is the conflict between the Central Bank and seven commercial banks which owe the former $4.2 billion since the financial crisis in 1982. The conflict has moved into the political field and has pitted government and opposition against each other.

Experts feel the key to the current situation is a perception among Chilean businessmen with investments in Argentina that "a recession in Argentina is inevitable."

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These experts have pointed out that the price of shares of the so-called Central Puerto, in which Chilean capital is involved, is at a record two year low. Analysts added that since December 1994, speculators withdrew approximately $3 billion from Argentina.

Experts agree, however, that this flight of capital was not prompted by any structural problems of the Argentine economy but rather by the Mexican crisis. ESTRATEGIA states, however, that this does not make the outlook "any less bleak."

Colombia

Country 'Disappointed' With U.S. Effort To Curb Consumption

PA1602190595 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Feb 95

[From the "National Newscast"]

[FBIS Translated Text] If the United States is disappointed with what Colombia has done in the fight against drugs, Colombia is also disappointed with what they have done to curb consumption. That was Foreign Minister Rodrigo Pardo's answer to the gringo critics upon his return to Colombia following his trip to get the country's certification.

[Begin Pardo recording] I think it is unfair to say that only Colombia has problems in the fight against drug trafficking. We are also disappointed. We are disappointed by the increase in consumption. We are disappointed by the money laundering that is going on. [end recording]

As for results in the fight against drug trafficking, neither country can cry victory. According to White House figures, annual street sales in the United States exceed $50 billion, and drug addicts consume more than 300 tons of cocaine.

[Begin Pardo recording] The United States, as the principal market, bears much of the responsibility in this. If we analyze what happened in 1994, we find there were mistakes made in the U.S. drug trafficking policy, not only in the reduction of consumption, which unfortunately did not take place, but also in certain aspects regarding the work done with the Colombian Government. [end recording]

According to the foreign minister, the only alternative left to two disappointed countries is to share responsibility in the fight against drug trafficking.

For the time being, however, the certification that would allow the cooperation between the two countries is still up the air.

Foreign Minister on Efforts To Obtain U.S. Certification

PA1702163295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Feb 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Foreign Minister Rodrigo Pardo has returned to Bogota after a trip to Washington where he made every effort to obtain the desired good conduct certification and with it the U.S. economic cooperation in the struggle against drug trafficking. This is what he said:

[Begin Pardo recording] We believe that if an objective analysis is done, Colombia has to be certified. The United States cuts 50 percent of the humanitarian aid to this country and votes against the credits requested by this country at multilateral meetings. It is rather odd for such problems to arise with the United States just a few months after the European Union revalidated the preferential tariffs it gives to Colombia for its struggle against drug trafficking. We will only be successful if the United States is willing to work with Colombia. We have had an alliance, and we would really be very concerned if the United States renounced it as we consider it indispensable to the success of our efforts against drug trafficking. [end recording]

Communique on U.S. Certification Issued

PA1702043295 Paris AFP in Spanish 0311 GMT 17 Feb 95

[FBIS Translated Text] Santa Fe de Bogota, 16 Feb (AFP)—The Foreign Relations Advisory Commission affirmed today during a meeting chaired by President Ernesto Samper that Colombia will keep fighting drug trafficking regardless of whether or not there is U.S. certification of this policy.

At the end of the meeting, which lasted more than four hours, Foreign Minister Rodrigo Pardo read the following unanimously approved communique:

"The members of the Advisory Commission, after listening to the government report on the U.S. certification process and on the work done in this regard, agreed on the following:

"1. With regard to the decision to be adopted by the U.S. Government and Congress on the so-called certification of Colombia's fight against drugs, our country hopes there will be a renewed full acknowledgment of the efforts we have been making in recent years at a very high cost in human lives and national wealth.

"2. The commission states that the decision the Colombian Government will adopt once the U.S. decision is known will reflect the concerted position of the various political forces in defense of national unity and of Colombia's dignity and rights in the international community.

"3. Independent of the U.S. decision, Colombia will not lower its guard and will maintain its commitment to the fight against drug trafficking with renewed energy and determination on the basis of national policy with the support of the democratic forces we represent."

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Currently, relations between the two countries are going through a critical phase with regard to the drug trafficking issue because, while Washington believes Colombia can do more, Colombia demands more international cooperation and, especially, the supression of high consumption in North America.

The so-called certification, which may be granted by the U.S. Government on 1 March, would allow Colombia to continue counting on $16 million in economic aid annually as well as on technological assistance and equipment for countering drug trafficking.

Editorials Express Fear of Possible U.S. Intervention

PA2002175895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 20 Feb 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] When we lost Panama, the country was just pulling out of a civil war—the War of a Thousand Days. Today, the intensity of violence is similar, and the news is similar to the extent that the editorials to be published tomorrow in CAMBIO 16 and SEMANA agree on one point: The United States Wants San Andres Island.

We are in the eye of the hurricane, or the target of the hurricane, which is one in the same. This summarizes Colombia's situation at this moment. This week, two of the magazines with the largest circulation in the country have dedicated their editorials to Colombia's moment in the global spotlight, and particularly how this relates to U.S. national security policy.

SEMANA reports that, according to important U.S. Government circles and General Barry McCaffrey, head of the U.S. Southern Command stationed in Panama, the continent's struggle against communism ended a long time ago. Now drug trafficking is the devil, the obsession.

Because this is now a matter of national security for the gringos, San Andres is open to a U.S. invasion, CAMBIO 16 reports.

One week ago, the small island, which has been described as a narcoparadise, was the center of debate in the country to the north.

The Colombian Government is concerned over the fact that these discussions are becoming increasingly frequent in North America, considering the possibility that they might be laying the groundwork for direct intervention in our country.

According to observers, the scandal created by the United States over the narcocassettes; statements by former DEA Director Joe Toft, who labeled Colombia as a narcodemocracy; and the recent departure of U.S. Ambassador Myles Frechette, all of which tainted Colombia's image, are nothing less than part of a well-prepared campaign to justify a possible direct intervention—an intervention that might not stop at the Colombian archipelago, but could extend to pursuing and capturing drug bosses in Colombian territory.

Narco-Guerrillas Down Police Helicopter in Putumayo

PA1702024695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 17 Feb 95

[Live report by Yolima Celis; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] [Announcer] A guerrilla group operating near Puerto Asis, Putumayo, on 16 February downed a Counternarcotics Police helicopter. Two officers and one agent were killed, three uniformed soldiers were injured, and three others are missing. Yolima Celis has the story:

[Celis] Yes indeed, a police helicopter that was carrying out counternarcotics operations in Putumayo was downed on the afternoon of 16 February. General, how did it happen?

[National Police Director General Rozo Jose Serrano, identified by caption] The narco-guerrillas shot at two helicopters that had located two coca processing laboratories. Unfortunately, the pilot of one of the helicopters was killed. Captain Acosta was a great officer and a good pilot. Two other agents were injured, and three more are missing. These three officers were working in the Puerto Asis Base.

I believe this incident proves that Colombia and its people are indeed making a great effort to neutralize drug trafficking. Although this loss cast the institution into mourning, we will continue to work to neutralize this illegal activity.

[Celis] General, what will be done in the area to bring the situation under control?

[Serrano] The Armed Forces and the Santa Ana Army Base immediately supported us. They are currently combing the area; I hope we will have good results.

[Celis] Thank you general. This is all the information we have from the Police Directorate.

FARC Guerrillas, Army, Policemen Clash in Uribe, Tamara

PA1802202895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 18 Feb 95

[Report by Edward Amaya from the "Cripton Newscast"]

[FBIS Translated Text] We are in La Uribe now. This place is where the peace talks should be held. Guerrillas,

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apparently from the 40th Front of the FARC [Revolutionary Armed Forces of Colombia] are shooting. We are accompanying General Marino Gutierrez Isaza, the Fourth Army Division commander, to visit the area and started this trip at the Apiay Air Base. As you can hear in the background, there are clashes between the Army and the 40th and 48th Fronts of the FARC:

[Begin recording] [Amaya] What is the current situation here?

[Gutierrez Isaza] That we are still fighting. We are clashing now. The bandits do not want to leave the area. The documents we have found seem to indicate that one of the killed men is an important rebel. [end recording]

A group of soldiers and policemen is also resisting an attack of 150 FARC guerrillas in Tamara, Casanare. The following is a last minute report by General Armando Montenegro, deputy police director:

[Begin Montenegro recording] Clashes between the 28th FARC front and police personnel have been ongoing for 14 hours in Tamara. The situation started at 2100. Two policemen have been killed. The confrontation continues. The guerrillas have not been able to defeat the police. Their objective was to attack the police station, steal the weapons, and attack the Agrarian Trust. We have just sent two helicopters with San Jose del Guaviare [word indistinct] officials. The helicopter will arrive at the city of Yopar. We also sent another helicopter with Bogota police personnel to Yopar, and they will go to Tamara from there. [end recording]

Ironically, the place where the peace talks could be held has become a war zone. Your "Cripton Newscast" was able to get to the area in La Uribe, Meta, where 1st Mobile Brigade troops are clashing with the 4th Front of the FARC, the combatants since yesterday. We are accompanying General Marino Gutierrez Isaza, the Fourth Army Division Commander. A new armed individuals attacked us while we where there. The clashes have left three guerrillas dead up to now. The images show the clashes, when they were being viewed by the Fourth Army Division commander:

[Begin recording] [Gutierrez Isaza] They do not want peace.

[Amaya] Hit the ground, general! Hit the ground! How long have the confrontations being going on?

[Gutierrez Isaza] Since yesterday at 1700.

[Amaya] What is the balance up to now?

[Gutierrez Isaza] Up to now, there are three bandits of the 42d gang dead. We believe they are carrying injured combatants, but they persist in fighting, and we will keep at it too.

[Amaya] Have soldiers been killed or injured?

[Gutierrez Icaza] No, we do not have casualties. We are fighting right now.

[Amaya] It seems the clash is occurring on the other side of this creek.

[Gutierrez Icaza] The clash is over there on the other side of the hill. [end recording]

Ecuador

Duran-Ballen Welcomes 'Military Victory'

PA1802024695 Quito Voz de los Andes in Spanish 0133 GMT 18 Feb 95

[Address to the nation by President Sixto Duran-Ballen in Quito—live relay]

[FBIS Translated Text] Fellow citizens: From the moment the border conflict erupted a few weeks ago I have addressed you on several occasions.

Throughout these days of national emergency and tension, I have kept you informed of military events and the diplomatic efforts we have made to obtain peace. I did this with absolute sincerity and honesty.

Peace was threatened. It was in danger. National pride was injured. These elements drove us into a vibrant and intense unity. This unity allowed us to successfully face adversity. Throughout the country, Ecuador lifted itself like a new country, and, at the border, our Armed Forces waged a brilliant, glorious, and unforgettable campaign.

Steadfast national unity and the truth, which we proclaimed above all else for everyone to hear, allowed us to overcome one of the most difficult tests in our history.

Together, we have endured days of profound concern, pain, and emotion. There was concern over the violent aggression. There was pain because heroic victims suffered from a conflict we did not want. There was emotion because of the bravery and professionalism exhibited by our Armed Forces. They cloaked themselves in glory by successfully defending our national sovereignty.

We acted in the diplomatic field with the same determination and strength with which our soldiers defended our national territory. The negotiations carried out to sign a peace agreement were based on the [words indistinct] not to take one single step backward, and we did not take such a step. Not one step backward was taken.

Fellow citizens, our constant search for a peace with dignity concluded with a peace agreement that, above all else, respects our sovereignty, our territory, our [word indistinct] position.

The detachments of Tihuinza, Base Sur, and Cueva de los Tayos, as you have seen, remain under our control. They are under the control of Ecuadoran Armed Forces.

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They were not seized from us by force and they were vigorously defended during the peace talks we held.

We have taken no step backward, and we will not do it in the future either.

The concentration of our military forces in the Alto Cenepa region—the Coangos Detachment, which is much farther south than previous concentrations—does not mean that this territory which has been, and is, Ecuadoran, will cease to be Ecuadoran.

The separation of forces outlined in the peace agreement establishes that Ecuadoran forces will be stationed in Coangos and that Peruvian patrols that infiltrated Ecuadoran territory will withdraw southward to the Peruvian post of Vigilante No. 1, which is also called Soldado Pasto.

The demilitarized zone to be established with the guarantor countries will constitute a guarantee for peace. There are no repercussions outside of those established in this document. This has been done exclusively to separate the forces and demilitarize the area.

The guarantor countries and their observers, who will be arriving there within the next few days, have the responsibility of ensuring that no military force from the south arrives in the area whose borders have not yet been established.

The Rio Protocol of 1942 remains in effect to a large extent. This is a fact that no one can deny. The bigger issues can only be discussed within the framework of truth and facts.

I believe that this is one of the most important obligations one has for the fatherland.

This is why, with the singular and historical responsibility that the four guarantor countries have, not only because they intervened in 1942 and are aware of the sacrifice imposed on Ecuador at the time, but also because they are also responsible for what we will do from now on to reestablish equality, I decided to call them to intervene this time.

The Rio Protocol cannot be implemented in the area between the Zamora and Santiago Rivers due to the nonexistence of a unique water boundary. This protocol, taking into account history and the essential and geographical reality later known as the two divorces, must be the foundation of a definite and fair understanding of the territorial dispute that is dividing our two nations. [sentence as heard]

As president of the Republic, facing the historical and patriotic responsibility that I currently have and that I had at those difficult times—the first days of the Peruvian aggression to our territory—and after having listened to the serious and well-thought-out opinions distinguished fellow nationals offered, I indeed decided to invite the guarantor countries, given my commitment to peace, because even though we have other international forums, these countries constituted the most adequate path to follow under the current circumstances.

I must tell you, my fellow citizens, that we still have much to do. The path toward a definite peace is long and winding. We will defend in the diplomatic arena the military victory we obtained. That is our duty, and that is our commitment.

Fellow compatriots, I believe it is my responsibility, as your president, to also tell you it is time to seek a definite solution to our problem—a territorial solution that will translate into the recognition of our legitimate rights, a solution that will also translate into a definite peace. It is time to become a firm, brave, and united country—above all, a united country proud of itself. It is time to change the course of history; it is time for peace with dignity. We will walk toward it together. Good night, fellow compatriots.

Government 'Pleased' by Peru's Acceptance of Peace Declaration

PA1702140595 Paris AFP in Spanish 1243 GMT 17 Feb 95

[FBIS Translated Text] Quito, 17 Feb (AFP)—The Ecuadoran Government said today it is pleased with Peru's decision to sign the Itamaraty Peace Declaration between the two countries early today, the Foreign Relations Ministry in Quito told AFP.

The text of the first official reaction from the Ecuadoran Government follows:

"The Foreign Relations Ministry is pleased with the Peruvian Government's decision to sign, early today, the Itamaraty Peace Declaration between Ecuador and Peru that the guarantor countries proposed to the governments of Quito and Lima.

"It recalls that Ecuador accepted this proposal on the afternoon of 15 February, inspired by a desire to achieve a dignified peace.

"At the conclusion of the negotiations held in Brasilia through the persistent, intense, and praiseworthy work of Argentina, Brazil, Chile, and the United States of America and the untiring efforts of the Ecuadoran Government, which was supported by the unyielding effort of the Ecuadoran people and Armed Forces, the Foreign Relations Ministry emphasized its statement in a 16 February press bulletin that this crisis will be overcome only through the establishment of an atmosphere of peace and understanding with Peru, which should also lead to the establishment of a peaceful, just, and dignified solution to the existing territorial problem.

"This goal will not be achieved unless there is solid, stable, and credible peace within a framework of mutual trust. Ecuador hopes that these are the goals that motivated the Peruvian Government to finally make this decision early today.

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"The agreement confirms the end of hostilities and establishes a separation between the armed forces of the two countries, a demilitarized zone, and a gradual demobilization of the two parties under the surveillance and verification of observers of the four countries, which will guarantee an effective cease-fire and other steps specified by the declaration that went into effect.

"Ecuador, which is willing to honestly comply with the agreement, hopes Peru signed it with the same determination to respect all its terms.

"The Foreign Relations Ministry reaffirms its recognition of the guarantor countries for their decisive contribution to achieving the signing of this declaration and cordially urges them to continue offering their assistance during the following phase of this process to consolidate peace."

Defense Minister Vows To Uphold Cease-Fire Agreement

PA1802004095 Mexico City NOTIMEX in Spanish 1950 GMT 17 Feb 95

[FBIS Translated Text] Quito, 17 Feb (NOTIMEX)—Ecuadoran Defense Minister General Jose Gallardo today said the cease-fire agreement signed early this morning between his country and Peru will be fulfilled, because Ecuador is an honorable nation.

Quito will fulfill the pledge acquired early this morning in Brasilia to end hostilities that began on 26 January between Ecuadoran and Peruvian troops along the Condor Mountain Range, he indicated.

Gallardo made his statements at the conclusion of a mass to give thanks for the cease-fire. The mass was held at noon today at Independence Square, adjacent to the Government Palace, and was attended by Ecuadoran President Sixto Duran-Ballen.

The defense minister reasserted that Ecuadoran troops have not withdrawn from the posts they held when the border conflict erupted, as Peruvian President Alberto Fujimori has claimed. The Peruvian president has said that his country's troops evicted all of the Ecuadoreans from the conflict zone, including the Tihuinza Base.

Gallardo says he does not endorse a triumphant attitude and would rather say "we have fulfilled [our duty] well" when evaluating the results of his troops' military operations.

Ecuadoran casualties in three weeks of clashes total 12 dead and 30 wounded, while Peru's casualties total 38 dead and 60 wounded, according to official figures from the two countries. However, according to the media, the number of casualties in the two nations could very well exceed 300.

Peru lost three warplanes and four helicopter gunships, while Ecuador has not reported the loss of any aircraft, except for an A-37 airplane which sustained damage but the pilot managed to land at his base.

Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordoba said on Tuesday [as received] that military observers from the Rio de Janeiro Protocol guarantor countries—Argentina, Brazil, Chile, and the United States—will arrive in the conflict zone within a matter of hours.

Presidential sources also announced Duran-Ballen is preparing to address the nation this evening, via a radio and television network, regarding the dispute between the two countries over an undelimited section of the border.

Meanwhile, civilian organizations have announced that a march for peace will be held tomorrow in El Oro Province on Ecuador's southwestern border with Peru, and tens of thousands of people are expected to participate.

Spokesman: Country Achieved 'Greatest Military Victory'

PA1802043095 Madrid EFE in Spanish 0109 GMT 18 Feb 95

[FBIS Translated Text] Quito, 17 Feb (EFE)—Ecuadoran Government spokesman Enrique Proano today said that Ecuador has achieved the greatest military victory in its history and that Peru has sustained the worst defeat since Chile subdued it more than one century ago.

"We have achieved the greatest military victory in our history, and this fact allows us to negotiate, keeping our head high, a peaceful and adequate solution that will take Ecuadoran interests into account," the official told Ecuadoran media.

Peru, on the other hand, he added, "sustained its worst defeat since 1879 (when Chile defeated the Peruvians and Bolivians during the Pacific War); not only Ecuadorans are saying it. It is not a unilateral opinion; for instance, the Lima-based CARETAS magazine acknowledged it."

As for the opinions given by former presidents Leon Febres Cordero and Rodrigo Borja who interpreted the withdrawal of Ecuadoran troops, in compliance with the cease-fire agreement signed today, as a setback, Proano noted the already legendary phrase "not one single step backward," which Ecuadoran President Sixto Duran-Ballen repeatedly uttered since the conflict began.

"We have not given up," he added, "a single millimeter of our territory. It was decided that the troops who were in combat gather at another location, but this decision in no way means a withdrawal."

"If two people are fighting and a third party approaches, he does it to separate the two. In this case, it is also

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necessary to separate the clashing forces to restore calm," the government official pointed out.

He emphasized, "The territory from which we are withdrawing will not land in Peruvian hands; it will land in the hands of an international force that will remain there until we can find an adequate solution to our border dispute."

Proano predicted that future negotiations to find a definitive solution will be tortuous and will demand national consensus. This is why he urged that domestic struggles be avoided. Otherwise, he warned, "we will be completely divided, as we were in 1941 (the year of another war with Peru, in which Ecuador lost), which would be unfortunate for the Ecuadoran nation and for Ecuador as a republic."

"We must not let," he concluded, "under any circumstances whatsoever, this situation become a matter of domestic politics. We must firmly unite in the national objective of doing away with the problem that has troubled the two countries for so many years." This is why, without naming the former presidents, he stressed that "we have to wait until the petty politicians stop hammering at such a delicate issue."

Foreign Minister Cited on Cease-Fire Accord

PA1802013395 Quito Voz de los Andes in Spanish 2300 GMT 17 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Foreign Relations Minister Galo Leoro Franco has commented that peace with dignity was of the utmost importance for Ecuador, as he commented on the Itamaraty Agreement and the formalization of the cease-fire in Brazil. In brief statements made after a religious ceremony held at Independence Square, the foreign minister pointed out that having achieved an end to the hostilities and the start of negotiations to seek a resolution to the territorial conflict constitutes a victory for the country. He recognized that the Armed Forces proved they can defend national integrity in a courageous and patriotic manner, which pleases the Ecuadoran people.

Says Cease-Fire Being Observed

PA2002201295 Paris AFP in Spanish 1911 GMT 20 Feb 95

[FBIS Translated Text] Quito, 20 Feb (AFP)—Ecuadoran Foreign Minister Galo Leoro Franco said today that Ecuador is complying with the cease-fire in the conflict it waged with Peru in an unmarked border strip in the Amazon jungle.

It is depends on Peru's good faith. We are complying and the only real and effective security that the truce be complied with is the presence of observers in the area," he said.

"The guarantors will provide this security for us, Leoro added, stressing that the observers from Argentina, Brazil, Chile, and the United States will inspect both sides of the conflict area to decide what best to do.

He emphasized that the international delegates will recommend to the Quito and Lima Governments that an area be demilitarized to be negotiated by both sides.

The foreign minister said that the guarantor observers will be military and civilians, who initially will be present for 90 days in the conflict area to supervise the cease-fire agreement and compliance with what was agreed in the Itamaraty Peace Declaration which Ecuador and Peru signed on Friday [17 February] in Brazilia.

"We must create an atmosphere of detente and the reestablishment of normal relations to overcome what has taken place," he said.

Deputy Minister, Spokesman View Accord

PA1802142895 Quito Voz de los Andes in Spanish 1230 GMT 18 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordoba has said he is pleased with the Peruvian Government's decision to sign a declaration ending hostilities between the two states. He has said the two countries will only overcome the crisis through the establishment of an atmosphere of peace and an understanding leading to a peaceful, just, and dignified solution to the territorial problem.

Fernandez has said the presence of a mission of observers to ensure strict application of the commitments specified in the agreement is one of the basic points. The mission will work for 90 days, but its task could be extended for another period as warranted so as to allow the parties and the guarantor countries to make the appropriate arrangements at an opportune time. The other points pertain to the creation of a demilitarized zone and a slow, gradual, and mutual demobilization of troops from the border area.

Meanwhile, the Ecuadoran Government has solemnly reaffirmed its determination to honestly and fully respect the agreement signed before the hemispheric community represented with dignity before this council, Ecuadoran Ambassador to the OAS Blasco Penaherrera has said.

Peruvian Ambassador (Beatriz Ramazzioti) has said Peru has displayed repeated signs of friendship toward Ecuador, expressing with actions its willingness to develop a constructive, rich, good neighbor relationship and bilateral cooperation. In 1941, Peru and Ecuador waged a war in which Ecuadoreans lost nearly half their territory.

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Ecuadoran Government spokesman Enrique Proano has said that Ecuador has achieved the greatest military victory in its history and that Peru has sustained the worst defeat since Chile subdued it more than a century ago. We have achieved the greatest military victory in our history, and this fact allows us to negotiate, keeping our head high, a peaceful and adequate solution that will take Ecuadoran interests into account, the official has told Ecuadoran media. He has said, however, that Peru has harvested its worst defeat since the 1879 War of the Pacific, in which Chile defeated Peruvians and Bolivians, and that not only Ecuadoreans are saying so. This opinion is not a unilateral one; for example, this point is recognized by the magazine CARETAS of the Peruvian capital, Enrique Proano added.

Meanwhile, economic experts and authorities have said the outlook for this year, following the war conflict, could be positive as long as unity is maintained and Ecuador acts as an authentic nation. Economist Ana Lucia Armijos, president of the Monetary Board, the leading organization of the country's economic policy, has said the economic goals, including national economic growth, fiscal expenses, and adjustment of the exchange rate, must be restructured in order to make them compatible with the inflation rate. She added the economic growth, which was estimated between 4-5 percent in the program, will be reduced to 3-4 percent.

Former Presidents Question Accord With Peru

PA1702224595 Madrid EFE in Spanish 1839 GMT 17 Feb 95

[FBIS Translated Text] Quito, 17 Feb (EFE)—Several Ecuadoran political leaders today criticized the peace agreement between Ecuador and Peru, a few hours after the document was signed early this morning in Brasilia.

The first to state his criticism was former President Rodrigo Borja (1988-92), a Social Democrat, who termed the accord "unacceptable" because it entails abandoning three border posts that were the scene, according to both sides, of the fiercest fighting since the beginning of hostilities last 26 January.

"I do not agree with the document signed in Brasilia because it involves the asymmetrical withdrawal of military forces to the detriment of Ecuador," the former president said in an interview with EFE.

"Ecuadoran troops will have to withdraw from the Tihuinza, Cueva de los Tayos, and Base Sur bases which were so bravely and successfully defended by our soldiers," Borja added.

Other political leaders also expressed their doubts over the political accord signed early this morning, but said they had to analyze it in depth before issuing a pronouncement.

Ecuadoran President Sixto Duran-Ballen, who insisted throughout the conflict that his troops would never withdraw from the disputed area, had not commented on the peace accord as of noon (1700 GMT) today.

In a more moderate tone, former President Osvaldo Hurtado (1981-83), a Christian Democrat, told EFE that the current fundamental objective of both countries "was to stop the war." In this regard, he continued, "an important step has been taken with the cease-fire agreement signed in Brasilia."

"Like every agreement resulting from two different positions, it cannot meet all the expectations of each party, because it requires that they both accept a formula that will permit them to sign the document. In this regard, there may be opinions in both countries that the accord is bad. That is possibly why Peru deferred its signing for so long," Hurtado asserted.

The former president added, "the important thing now is to complete the separation of forces in order to avoid further incidents, and that the two countries discuss the establishment of a definitive border, thereby ending the conflict that harms them both so much."

Minutes after the signing of the accord in Brasilia, in the first reaction from an Ecuadoran official, Foreign Minister Galo Leoro Franco told EFE that a "stronger" cease-fire was achieved, "one which has more guarantees with the presence of (international) observers. This is what we needed because there was a very fragile cease-fire."

A cease-fire declared unilaterally by both countries was in effect since last Tuesday. It was violated on various occasions, according to both the Ecuadoran and Peruvian Governments.

The definitive cease-fire agreement, called the "Peace Declaration of Itamaraty" (headquarters of the Brazilian Foreign Ministry), forces both countries to remove all their troops from an area of 350 square km that is disputed in the Amazon jungle.

Ecuador must withdraw its troops to the Coangos base, in territory Peru does not contest, and abandon the detachments of Tihuinza, Base Sur, and Cueva de los Tayos, which Quito claims are in its control, though Lima said they have been "recovered."

Peru must also withdraw its troops from the headwaters of the Cenepa River and concentrate them in their Puesto de Vigilancia Uno (PV1) [Watch Post No. One], which in Ecuador is called Soldado Pastor, also located outside of the area of conflict.

Congress President Reacts to Cease-Fire Accord

PA1902022195 Quito Voz de los Andes in Spanish 2330 GMT 18 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Although the Ecuadoran Armed Forces claim to have won the latest armed clash with

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Peru, the country must now tread a lengthy legal path in order to defend the positions it won on the battle field.

After signing the cease-fire agreement in Brazil, Ecuador and Peru (?must now) initiate the difficult process of settling their border conflict, which has led to many armed clashes during the past few decades.

According to the opposition parties, the Ecuadoran Government should not allow the diplomatic process—which is about to begin—to result in the loss of territory that was defended by the Armed Forces.

Congress President Heinz Moeller says that Ecuador must continue struggling in the diplomatic sphere to avoid losing the territory that was defended by its soldiers. He told reporters that this is the beginning of a lengthy and difficult path to a dignified and definitive peace with Peru.

Moeller, who belongs to the country's largest opposition party, characterized the cease-fire agreement as a military victory. However, one of his group's top leaders is not so sure of this. Leon Febres Cordero, a former Ecuadoran president and a Social Christian, said that a peace agreement was achieved through a huge sacrifice: Ecuador's withdrawal from Alto Cenepa.

Notes Areas in Dispute Not To Be Ceded

PA2002185995 Quito Voz de los Andes in Spanish 1700 GMT 20 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The cease-fire agreement signed in Brazil between Ecuador and Peru contains points that do not compromise in any manner claims of Ecuadoran sovereignty in the area in dispute, Congress President Heinz Moeller has stated.

The congress president added that the fact that Ecuadoran troops which are based in Base Sur and Tihuinza are concentrated in Coangos Detachment does not mean that such areas will be ceded to Peru. That is definitely clear. That is what the agreement contains and it cannot be any other way, he added. He also said that Ecuador wants to be heard in international circles.

While Ecuador claims that sector, Peru is doing likewise. Those are zones in dispute and that is where the conflict arises. Moeller admitted they are zones being disputed. It is important that a demilitarized zone be created for the first time to avoid conflicts. This can be done only by separating the forces. The Peruvians must reconcentrate in the Soldado Pastor PV1 [Watch Post One] from where they attacked our posts. The Ecuadoran troops will be in Coangos, which is a highly strategic post that controls the upper Cenepa and Coangos basins.

Col. Grijalva: Skirmishes Not To Affect Cease-Fire

PA2002192295 Paris AFP in Spanish 1309 GMT 20 Feb 95

[FBIS Translated Text] Patuca, Ecuador, 20 Feb (AFP)—Ecuadoran Colonel Jose Grijalva stated today that the sporadic clashes "of no importance" which took place during the weekend between Ecuadoran and Peruvian soldiers in the yet unmarked border strip pose no danger to the cease-fire.

"There has been the odd sporadic clash, of no significance and there is no danger to the cease-fire because these sorts of things are always happening," said the military officer, who commands the Condor Jungle Brigade No. 21 based in the small village of Patuca (Morona Santiago Province in the Amazon).

He added that "the truth of the matter is that there have been sporadic clashes because Peruvians have infiltrated Ecuadoran territory and perhaps they are unaware of the cease-fire."

Grijalva stressed that "there are Peruvian soldiers who are lost in the jungle, but are armed," and added that "all our troops know (about the truce) and have been clearly instructed to only attack if attacked."

"Otherwise, we are not going to use weapons," Grijalva said over the phone to Radio Quito from Patuca.

The commander reckoned with the arrival of international observers to the area of conflict, scheduled for Tuesday [21 February]. When they inspect Ecuadoran military positions, "the infiltration of Peruvian patrols in Ecuadoran jurisdiction will be controlled more efficiently."

"Right now things are still a bit difficult also because the terrain is very inhospitable, and there are Peruvian military personnel who are still unaware of the cease-fire," he repeated.

Likewise, Grijalva believes that those isolated skirmishes will not endanger the safety of the observers who will enter the battle field to consolidate the truce and avoid fresh confrontations.

He said that the special delegates in the advance team which will arrive on Tuesday in Ecuador are "knowledgeable military men with experience."

The international mission will comprise nine officers from Argentina, Brazil, and the United States, the guarantor countries of the 1942 Rio Protocol which established the Ecuadoran-Peruvian border limits, except for the disputed area.

The observers will ensure strict application of the agreements signed by the governments of Quito and Lima in the Itamaraty Peace Declaration on Friday, which include the immediate and simultaneous separation of the troops engaged in the clashes, concentration of troops in two specified places, demobilization, and the recommendation for a demilitarized border strip.

Following mutual accusations of provocations and attacks, Ecuador and Peru began clashes on 9 January in the unmarked border area. The clashes left about 50 soldiers dead, according to official figures.

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Despite the cease-fire in force since 14 February and the Itamaraty Peace Declaration, there are still clashes taking place in the jungle, as has been admitted by Ecuadoran and Peruvian military commanders.

Guarantor States' Observers Expected on 21 Feb

PA1902014595 Paris AFP in Spanish 2349 GMT 18 Feb 95

[FBIS Translated Text] Quito, 18 Feb (AFP)—The Ecuadoran Foreign Ministry told AFP on Saturday [18 February] that military observers from Argentina, Brazil, Chile, and the United States will arrive at the Ecuadoran city of Cuenca (in the south) on Tuesday and will immediate travel to the zone of the conflict between Ecuador and Peru, at a still-undelineated area in the Amazon jungle.

The four countries are guarantors of the 1942 Rio de Janeiro Protocol, which established the Ecuadoran-Peruvian border after a war, and they will now send a special mission to consolidate a truce that has been in effect since Tuesday.

The Ecuadoran Foreign Ministry said in a communique that a group of envoys from the guarantor countries, led by Brazilian Brigadier General Ariel Pereira da Fonseca, will arrive at Cuenca on Tuesday.

The communique added that the guarantor countries' delegation, comprised of military officers from the four countries, will immediately travel to the area of the conflict, in Ecuador's Amazonian provinces of Morona Santiago and Zamora Chinchipe on the Peruvian border.

The Ecuadoran Foreign Ministry emphasized that "the cease-fire agreement and the deployment of observers foreseen in the Itamaraty Peace Declaration, signed yesterday in Brasilia between Ecuador and Peru, has thus begun to operate."

The Foreign Ministry said the mission will arrive in a Brazilian Air Force (FAB) airplane, according to official information provided by the Brazilian Embassy in Quito.

The Foreign Ministry added that the appropriate coordination is under way to provide the observers with all necessary services.

The communique ended: "For this purpose, General Cesar Duran, the deputy national defense secretary, and Ambassador Diego Ribadeneira, the director general of maritime and air sovereignty at the Foreign Ministry, have been appointed to provide all the necessary services to the observers."

According to the Itamaraty Peace Declaration, the delegates must supervise the implementation of the troops' withdrawal and their gathering at the military detachments of Coangos (the Ecuadorans) and Soldado Pastor Post 1 (the Peruvians) in addition to the demilitarization of an area they will determine and the demobilization of troops as a precaution against new clashes.

Armed Forces Not To Pull Back Before Delegation Arrives

PA2002152195 Quito Voz de los Andes in Spanish 1430 GMT 20 Feb 95

[FBIS Translated Text] The Ecuadoran Armed Forces have said that they will stay in their advanced positions until the international observers and the technical and military delegation appointed by the guarantor countries of the Rio Protocol arrive. Meanwhile, Ecuadoran soldiers will remain in the southern base at Tihuinza, as well as at Cueva de los Tayos.

Government Prepares Peru Negotiation Strategy

PA2002155995 Quito Voz de los Andes in Spanish 1430 GMT 20 Feb 95

[FBIS Translated Text] The executive and legislative branches are preparing strategies for establishing a basis for the negotiations with Peru in view of the upcoming arrival of the Rio de Protocol guarantors. President Sixto Duran-Ballen will meet with his cabinet this morning to discuss Ecuador's economic and political situation and the steps to be taken regarding the border crisis.

The Congress has called for an urgent meeting, to be held with the president of the Republic behind closed doors tomorrow, to discuss the country's situation regarding the border crisis.

President To Report to Congress 21 Feb on 'War' Conflict

PA2002215795 Paris AFP in Spanish 1910 GMT 20 Feb 95

[FBIS Translated Text] Quito, 20 Feb (AFP)—Ecuadoran President Sixto Duran-Ballen will report to Congress during a private session on 21 February on "everything related to the war conflict" with Peru, a source from the Presidential Press Office told AFP today.

The Legislative Branch will hold a special session to receive the president at about 1600 (2100 GMT).

Duran-Ballen, 73, on 17 February told Social Christian Heinz Moeller, president of the unicameral Congress, that he wanted to be received "as soon as possible" by that body in order to present a detailed report on the border crisis.

The source said Duran-Ballen will explain "the scope of the Itamaraty agreement, the Armed Forces' position on control over positions in Tihuinza, Cueva de los Tayos, and Base Sur, and the possibilities of reaching a definitive, just, and dignified solution within the framework of the Rio de Janeiro Protocol, while recognizing errors and limitations."

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"The president will go to Congress accompanied by Defense Minister General Jose Gallardo, retired, and Foreign Minister Galo Learo Franco and other officials of his government," the source said, adding "Duran-Ballen will spotlight the great national unity created by the Peruvian aggression."

The Ecuadoran president was already received on two occasions by Congress to report on a state modernization plan and reforms to the Constitution, both of which were government initiatives.

Congress Official on Planned Meeting

PA2102015295 Quito Voz de los Andes in Spanish 2300 GMT 20 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen, Foreign Minister Galo Leoro Franco, and Defense Minister General Jose Gallardo will go to Congress on 21 February. The officials will hold a private meeting with the deputies to discuss the border conflict [words indistinct] the war, and the Ecuadoran diplomatic offensive at the negotiations with the guarantors of the Rio de Janeiro Protocol and the neighbor to the southern. Ecuadoran Congress Vice President Marco Proano Maya has said they will give special emphasis to the joint territorial thesis:

[Begin recording] [Proano Maya] Several deputies have requested that the foreign minister appear before Congress, and others want the defense minister to come. The Congress president has wisely invited the president of the Republic so that he, as Armed Forces commander in chief, can report to Congress and answer the deputies' proposals and questions. We know the foreign and defense ministers will accompany the president of the Republic during his visit to Congress.

[Unidentified reporter] What does Congress expect [words indistinct]?

[Proano Maya] It is a private session that will center on the peace accord, negotiations, and information on the latest events stemming from the Peruvian aggression. [end recording]

President Duran-Ballen will have to resolve several issues, particularly those related to the diplomatic offensive that Ecuador has to present at the negotiations table.

Diplomat Wants OAS To Address Border Dispute

PA1702191895 Quito Voz de los Andes in Spanish 1700 GMT 17 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Quito—An Ecuadoran diplomat has reported that although a peace agreement on the border conflict has been reached with Peru, Ecuador reiterated today its request that the OAS Advisory Council be convoked to study the dispute.

Blasco Penaherrera, Ecuadoran ambassador to the OAS, said that even though the peace agreement was signed early this morning, his country has neither renounced its recourse to the international organization nor decided to withdraw its request for a meeting of the OAS Advisory Council.

Yesterday afternoon, when Peru had still not accepted the peace agreement presented by the Rio de Janeiro Protocol guarantor countries, the Ecuadoran Government said it would have to denounce that position before the international community and request an advisory meeting with the OAS foreign ministers. Today, even after the signing of the peace agreement, Penaherrera pointed out that although the situation is different, Ecuador's will maintain its position, at least to keep up hemispheric support.

Military Forces Deny Report of Border Clashes

PA2002144795 Quito Voz de los Andes in Spanish 1430 GMT 20 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Ecuadoran military forces denied the existence of clashes between military patrols of the two countries yesterday. They explained that on Sunday the national troops were receiving supplies amid relative calm. They also announced that the announcement of renewed fighting on the part of Peru is false.

Joint Command Reports 'Constant Raids' by Peruvian Patrols

PA2002190795 Quito Voz de los Andes in Spanish 1700 GMT 20 Feb 95

[Official Bulletin No. 32 issued by the Ecuadoran Armed Forces Joint Command in Quito; date not given; from "The Voz Andes Newscast"—read by reporter Edwin Chamorro]

[FBIS Translated Text] Since 17 February, when the peace agreement between Ecuador and Peru was signed in Itamaraty, the Ecuadoran Armed Forces, which are holding their positions in the area of Tihuinza, Base Sur, and Cueva de los Tayos, have been constantly harassed by infiltrating Peruvian patrols, which are attempting, at all costs, to gain a foothold in the disputed area.

Peruvian helicopters have been seen overflying the Soldado Monge, Teniente Ortiz, and Edsa Detachments. Bad weather in the area has prevented our forces from repelling these actions that violate our sovereignty. The Ecuadoran Armed Forces have implemented security measures to enable the observers appointed by the guarantor countries to do fulfill their responsibilities in the disputed area. We hope their presence in this area will make it possible to consolidate the peace process,

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which appears to be extremely fragile in view of the constant raids by the Peruvian patrols that have infiltrated our lines.

The Joint Command reaffirms its determination not to use arms as long as Peru heeds the cease-fire. So far, our casualties are 12 dead and 47 wounded, seven of whom have recovered.

Defense Minister Accuses Peru of Creating 'False Tihuinza'

PA2002150295 Quito Voz de los Andes in Spanish 1430 GMT 20 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Defense Minister Jose Gallardo today accused Peru of creating a false Tihuinza Base, a military post where there has been fierce fighting and which both countries claim to have under their control. Gallardo told newsmen that Peruvian soldiers began six days ago the construction of the base in the upper part of the Cenepa River to later show it to international newsmen.

Peru claims to have evacuated Ecuador from the entrance of the Cenepa River, which is on the banks of the Condor mountain range, while Ecuador claims it has not retreated a single step since the onset of the conflict.

Foreign Minister Criticizes Peruvian Counterpart's Position

PA2002194295 Paris AFP in Spanish 1817 GMT 20 Feb 95

[FBIS Translated Text] Quito, 20 Feb (AFP)—Ecuadoran Foreign Minister Galo Leoro Franco today told AFP that his Peruvian counterpart, Efrain Goldenberg, never wanted to accept a cease-fire in the military conflict between the two countries before fighting intensified in an unmarked border region.

He noted: "I repeatedly urged Foreign Minister Goldenberg in Santa Cruz, Bolivia, and later here (in Quito) when I returned. On one occasion, we spoke on the phone for 40 minutes, and on another, 30 minutes. What for? To ask him to agree to a cease-fire he never wanted."

A few days later, following a series of mutual accusations of provocations and skirmishes between Ecuadoran and Peruvian soldiers since 9 January, Leoro and Goldenberg met in the Bolivian town of Santa Cruz at a meeting of foreign ministers of the Andean Pact (Bolivia, Colombia, Ecuador, Peru, and Venezuela) and discussed the initial incidents that had taken place.

Leoro said these contacts produced nothing, and he noted that the confrontations immediately worsened and continued until 14 February, when the truce went into effect. The truce was confirmed three days later through the Itamaraty Peace Declaration, which was signed by the governments of Quito and Lima in Brasilia.

Leoro said: "The Peruvian foreign minister did not want a cease-fire. I have spoken about this. He said Peru's position is clear, and he added that we must leave the border area (the Alto Cenepa region in the Condor Mountain Range) they argue is Peruvian—a claim for which they have no basis whatsoever, no premise, and absolutely no right."

Leoro said, "Not even the Rio de Janeiro Protocol (signed by Ecuador and Peru in 1942 and establishing the new Ecuadoran-Peruvian border, with exception of the disputed area) can give them this sovereignty they claim."

Leoro explained that, during the talks, Goldenberg said: "And you, sir, are you not worried about what will happen? Do you not realize that the lives of an increasing number of Peruvians and Ecuadoreans are in danger or will be in danger?"

Leoro noted, "He, of course, can incite Peruvians to support his side," adding, "We would have liked to reach this point (the cease-fire) when we first went to Bolivia."

Leoro concluded: "We had to wage a war, and I have never been able to understand how a country (Peru), which had been proclaiming peace and all of that, could not decide to at least support a cease-fire in theory."

Government Establishes Measures To Pay for Conflict

PA2002232995 Mexico City NOTIMEX in Spanish 2139 GMT 20 Feb 95

[FBIS Translated Text] Quito, 20 Feb (NOTIMEX)—Vehicle owners in Ecuador began paying an additional onetime, 2-percent tax today on the value of their vehicles to cover the expenses of the recent conflict with Peru.

The number of vehicles in Ecuador has been estimated at 500,000, and the government hopes to obtain about $40 million from this tax.

Vehicle owners could make the payment at private banks during the next four weeks.

A second contribution to finance the war expenses will be made by workers, who will contribute two days worth of their salaries.

A third source of income will come from the revocation of the exemption to pay the value-added tax certain public and private institutions have enjoyed, but Congress needs to approve these measures.

Monetary Board President Ana Lucia Armijos said today these measures will be enough to cover the costs of the war if it is approved. She stressed the fact these measures will become permanent.

Ecuador had international reserves close to $1.6 billion, an amount reduced by nearly $150 million during the days of the conflict. The latter amount was earmarked to

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cover the war expenses though no official information is known in this regard, experts have stated.

Last week, Ecuadoran monetary authorities redefined the goals of the government's economic program and lowered the economic growth expectations from the initial 5 percent to 3 or 4 percent.

The Ecuadoran Government also relaxed its inflation goals, which fluctuated initially between 15-17 percent to place them at between 19-21 percent.

The armed conflict with Peru has triggered a withdrawal of bank funds, and the government, to avoid a stampede of the dollar, has adopted emergency measures that have prompted an increase in interest rates.

Central Bank President Augusto de la Torre has said that there is going to be a banking credit contraction in the near future and that its main effects will be felt by the firms that produce goods for internal consumption. Consequently, there will less production and consumption, the Central Bank president has said.

Peru and Ecuador signed an agreement on 17 February to end their border conflict along the Condor Mountain Range in the Amazon area and accepted the presence of international observers to oversee the military truce. Both countries waged intense combats during almost 20 days to control an area of 348 sq km, which has been the object of an ongoing dispute for more than half a century.

Economic Goals Lowered for 1995

PA1702190395 Quito Voz de los Andes in Spanish 1700 GMT 17 Feb 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The government headed by conservative Sixto Duran-Ballen has lowered its economic goals for this year because of the armed conflict with Peru and expect an increase in the inflation rate. The predicted inflation rate for this year of 15 or 17 percent was increased to 19 or 21 percent, Central Bank President Augusto de la Torre said. He announced a 17-percent devaluation of national currency, 5 percent more than scheduled in December 1994.

In view of the current situation, De la Torre added, the most reasonable thing to do would be to modify the economic program, but the country will have a 15 or 17 percent inflation rate until July 1996.

Bucaram Discusses Political Alliances, Parties

95SM0181A Quito HOY in Spanish 23 Jan 95 pp 1, 6

[Interview with PRE leader and presidential candidate Abdala Bucaram by Thalia Flores y Flores; in Guayaquil; date not given; first eight paragraphs are editorial and author's introduction]

[FBIS Translated Text] Abdala Bucaram is a definite candidate for the presidency in the elections of 1996. He has said: "I will ally myself with any bastard. There is an indissoluble marriage between the oligarchy, the state, and the armed forces."

Abdala Bucaram, national director of the PRE [Ecuadoran Roldosist Party], has told a representative of HOY that the PSC [Social Christian Party] has broken its word of honor, contained in the agreement of 10 August 1994 between the two parties, and "has taken over the Supreme Court of Justice."

Bucaram called Febres Cordero a coward and then said that when there was an agreement between the parties, it had been recognized that, in order to have a serious and independent system of justice, the position of president of the Supreme Court would have to go to an independent man. However, he said that later on Febres Cordero failed to keep his word.

Bucaram made these statements in an exclusive interview with HOY. This is the first of a series of weekly interviews which this newspaper will publish with candidates for the presidency of the republic in the 1996 elections.

It is not as hot in Guayaquil as it was, but the atmosphere is still "charged with electricity." The taxi driver who took us to the Kennedy subdivision had a small TV set on which we watched the first goal scored by Ecuador against Venezuela. We were happy about it.

It was 1830 when we entered the elegant home of Doctor Abdala Bucaram Ortiz, supreme leader of the Ecuadoran Roldosist Party (PRE). A maid invited us to enter his office, and shortly after that the Roldosist leader joined us. He wore a black shirt and trousers. We greeted each other, and he invited us to sit down. Shouts were heard. It was the second goal scored by Ecuador. Bucaram said: "You have brought us luck." He clapped his hands and shouted with joy to celebrate the score of 2-0 in the game. He asked to have the phones turned off so that we would not be interrupted. He closed his office door, and the interview began.

He said: "I am a politician who believes in a hierarchy of positions, not in a given rank. I speak when I have something to say." He said this in an unhurried way to justify his recent silence. He added that he is busy with his own, private concerns, with his organization, and in preparing himself "to win the elections" and not in being a "big mouth."

He raised his voice. He said that the Social Christian Party (PSC) is acting like a squirrel: "They chatter all the time, they steal all the time, they legislate all the time in favor of their business supporters, and they screw around every day. However, finally they have realized that things are worse than when they began the election campaign, and they are falling steadily in the polls. In

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politics you climb arithmetically and you lose ground geometrically. Today the PSC does not amount to anything."

[Flores] Do you have anything to say now?

[Bucaram] There is a lot to say. I would have to ask the government, the armed forces, and the national press why, in 1985, an inoffensive young man was accused of high treason to the fatherland for saying a few truths. And now Dr Leon Febres Cordero, or LFC, as he is called, an enormous, tough guy, the thief of Guayaquil, the guardian of the oligarchy, offends everyone, every day in Ecuador. This shows that he has secret documents which threaten national security. And no one picks up a ballot and arrests him. I have to say that there is still an indissoluble marriage between the oligarchy, the state, and the armed forces. Since you cannot marry a second time, it is impossible for the state and the armed forces to marry the Ecuadoran people.

[Flores] How do you interpret the alliance between the PSC and Dr Febres Cordero?

[Bucaram] Politics is a science and an art. You have to make agreements between political parties to form a majority to make democracy function. A national parliament has to be set up. When we did this, we started from the premise that today is the first day of the rest of our lives and that it is important to pardon people for sins and errors of the past. We thought that the PSC would respect what we had agreed on. They did not do so because they are cowards. Leon Febres Cordero and Jaime Nebot Saadi [president of the PSC] promised me, when Moeller, Rosero, and Santiago Bucaram were presidents, that they would not interfere with the judiciary. And the first thing which those bums did was to take over the judiciary to repress the PRE. They approved a document—yes, it was signed—to suppress the narcotics traffic. What they then did was "to free Vice Admiral Duenas of all responsibility and help to save him and Racines; free the mafia led by the Medranes family in the Province of Manabi and narcotics traffickers in Guayaquil; and allow the laundering of U.S. dollars through the Office of the Superintendent of Banks.

[Flores] Does the end justify the means in electoral agreements?

[Bucaram] My question is the reverse of that. Why should Bucaram enter into an agreement with the PSC if Leon Febres Cordero is pushing drugs? Yes, he killed some of his people. Yes, he entered into an electoral pact with the ID [Democratic Left]. I did this with the people who had pulled the country out of the mess of 1988. Yes, I entered into an agreement with the DP [Popular Democracy party]. I once wondered whether these people, with whom I had entered into an agreement, had any connection or none with the murder of Roldos. Yes, he entered into an agreement with the MPD [Popular Democratic Movement] and the APRE [Popular Revolutionary Action party] as well as with the communists. Yes, I entered into an agreement with the Bucaram government when it was in power. With the greatest respect, my question is who in hell did I enter into an agreement with?

[Flores] Perhaps with Frank Vargas [Popular Revolutionary Action party leader]?

[Bucaram] Vargas has connections with the MPD, a party which, I believe, has a future. However, its future is no more than that of a garbage truck into which the PSC dumps its refuse.

[Flores] And the MPD?

[Bucaram] Of course, this is a party which polishes the shoes of the PSC. It is financing it now, in an attempt to take votes away from the PRE. These are scavenger dogs from the market who know that they have no possibility of gaining power. The MPD is presenting national candidates to take votes away from the PRE, which has a real possibility of winning the election.

'We Will Save Ourselves Or We Are Through'

Bucaram is convinced that he is the only candidate of the Center Left (CI) who cannot give up his campaign. He believes that he is "essential" to defeat the Right. He said: "If I withdraw from the campaign, this means giving the presidency of the republic to the Right, for along the Pacific coast there are only two choices: Bucaram or Nebot—Number 10 or 6." He underlined this, pointing out that for the CI his withdrawal would be a strategic error, since no other candidate would be able to pick up his votes in the Province of Guayas alone. He said: "However, if the CI stands united, there will be no runoff." He says that with the intellectual support of the ID and the DP, "We would make an historic government." He revealed that he has spoken informally with Andres Vallejo, Jorge Gallardo, Carlos Vallejo, and Rodrigo Paz. He has asked them to withdraw their candidacies.

[Flores] But Rodrigo Paz has said that he will be a candidate, and there has been some talk that Rodrigo Borja [ID] may aiso run.

[Bucaram] Paz is a good candidate. I wish him good luck. The candidacy of Rodrigo Borja is crazy and shows a lack of respect for the country. Why do they think that someone who destroyed Ecuador, who deceived us with the "people's tractor" and other nonsense like that, and who recorded an inflation rate of 60 percent should be a candidate? The presidents of the past destroyed Ecuador. The country wants change. This is what 95 percent of the Ecuadoran people say.

[Flores] Is there someone in sight like Fujimori?

[Bucaram] You know what they say. With Abdala Bucaram we are sure "either of saving or wrecking ourselves. However, we cannot go on as we are."

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Abdala's Fortune

Bucaram's home is enormous and luxurious. However, there are people who do not understand where he got the money to pay for it. When I said this, Bucaram looked at me and remarked: "I do not know who it is that cannot understand. Everyone here knows who Abdala Bucaram and his family are. I ask you if I am a wealthy man. I will tell you a story. I was educated at the Cristobal Colon School, where "childish people" studied. I was a schoolmate of Pepe Nebot, who was certainly clean (poor), because in 1969 Nebot Velasco was declared bankrupt. He could not even write a check. Ricardo Noboa was a friend of Jacobo Bucaram, my brother. I grew up in the same social atmosphere as my enemies. I have contempt for them because I know them. I went to the same parties. I shared the same girls and the same sweethearts with them. And when they and their parents had no known job, my mother was well known for making awnings, jackets, sequins, and bright earrings which were sold at El Cisne Department Store. We have been manufacturers for 40 years and farmers for 40 years. We have a history of work. Who would think of saying that the Bucaram Ortiz family has no prospects? So where did all of that come from?

Paraguay

Argentina Requests Extradition of Lebanese, Arab Detainees

PY1902231395 Madrid EFE in Spanish 1758 GMT 18 Feb 95

[FBIS Translated Text] Asuncion, 18 Feb (EFE)—Argentine courts have asked Paraguayan courts to arrest four Lebanese and three Brazilians of Arab descent, who are being held in Asuncion under suspicion of being members of Islamic terrorist groups, court sources reported today, Saturday.

The request for extradition, submitted by Argentine Judge Roberto Jose Marquevich, affects Johnny Moraes Bealbaky, Luis Alberto Nader, Mohamad Hassan Alayan, Fadi Abdul Karim Chekair, Roberto Ribeiro Ruiz, Valdirene Vieira Ferguglia, and Sergio Rodrige Salem.

These foreigners were arrested at the end of January, after the Israeli secret service warned the local police that they might be members of a terrorist organization planning attacks against Jewish interests in Paraguay or Argentina.

The Argentine judge's petition, which was submitted to Paraguayan Judge Carlos Monges, notes that the detainees are being prosecuted on charges of "accumulation of explosives and smuggling of weapons." The charges were levelled during an investigation conducted by the San Isidro court.

Monges, who within the next few days will make a decision on a request for the release of the detainees, has confirmed the preventive arrest of the Lebanese. He announced that Argentine authorities have 30 days to formalize the extradition.

The petition by the Buenos Aires judge has been supported by Argentine Ambassador to Asuncion Nestor Auad, who on 17 February visited Monges, accompanied by a Buenos Aires Police official.

The case of the Lebanese also awakened the interest of the U.S. and British police, which sent representatives to meet with the Paraguayan judge hearing the case. Court sources quoted by the local press have said that U.S. officials suspect that Luis Alberto Nader and Johnny Moraes Bealbaky finance fundamentalist [integristas] groups with funds produced by drug trafficking and electronic equipment smuggling.

Third Attack Planned in Argentina

PY2102010695 Asuncion NOTICIAS in Spanish 19 Feb 95 pp 48, 49

[All names as published]

[FBIS Translated Text] The Lebanese currently in custody in Asuncion had planned to use explosives in an attack on the Israeli Embassy in Argentina during the "month of Ramadan." They had also planned attacks against Argentine Government officials.

Their "red diary," found during a raid by Intelligence Department personnel on a luxurious house on Santisima Trinidad Street, mysteriously ended up in the hands of the Israeli Secret Service, Mosad, which deciphered several notes written in Arabic and some in Hebrew.

This enabled the Mosad to discover the alleged terrorists, who were about to perpetrate a new attack on the Israeli Embassy in Buenos Aires and another one on government officials.

The Mosad had already sounded a note of warning in Buenos Aires, when Judge [Juan Jose] Galeano, who is hearing the case of the attack on the Argentine-Israeli Mutual Association (AMIA), spoke about a possible attempt on the life of President Carlos Menem and members of the Jewish community.

Police Chief Superintendent Enrique Martinetti, who accompanied the chief of the Argentine Army's Intelligence Service to see Judge Carlos Monges on 17 February, submitted to the latter the documents against the Lebanese, currently custody in Asuncion.

The top leader of the alleged Muslim terrorists is Johnny Moraes Baalbaki, who has been wanted by the Mosad and the CIA, and the Argentine intelligence services since mid-1994.

At that time, the Mosad had warned South American police authorities about the possible entry into our country of four terrorists.

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Their names were released, but they were nowhere to be found. Nevertheless, they might have entered the country bearing documents—bought in Brazil—which accredited them as naturalized Brazilian citizens.

The Argentine authorities have enough incriminating proof against the Lebanese, who came here in mid-January of this year. Hence, the San Isidro judge filed an extradition request for the seven Arabs currently under arrest at national penitentiaries.

Judge With Police Custody

Having heard about this situation, the interior minister himself ordered tight security for Judge Carlos Monges and his family given the possibility that they might be the target of an attack that seeks to delay the extradition process of the alleged terrorists. Paraguayan police reported that they never discarded the possibility that the Lebanese might be terrorists so their alleged involvement in drug trafficking was just a red herring to prevent the press from hampering the investigation.

Peru

Fujimori Discusses Arms Purchases, Peace Accord, Tihuinza Visit

PY1902224995 Madrid EFE in Spanish 1534 GMT 19 Feb 95

[FBIS Translated Excerpt] Lima, 19 Feb (EFE)—Peruvian President Alberto Fujimori today will try, for the third time, to reach the Ecuadoran bases of Tihuinza, Cueva de los Tayos, and Base Sur—from which Ecuadorans were evicted—in order to show that the bases have been recovered by Peru. [passage omitted]

During a meeting on Saturday with local media directors, Fujimori said the "Declaration of Peace of Itamaraty," which Ecuador and Peru signed on 16 February in Brasilia, had the same contents as the peace agreement proposed by the Rio Protocol guarantors on 4 February. That document was signed by Peru but not by Ecuador.

The Peruvian president also referred to the purchase of weapons, noting that "our resources will not be used for buying more military equipment, since we already have enough, but for improving the materiel we have."

As for the time during which Ecuadoran troops might have been in Peruvian territory, the president replied he did not know, but that "they might have been there for 10 years."

Through its foreign minister, Peru submitted a petition to the Israeli Government on the sale of Israeli Kfir planes to Ecuador during the military conflict. Fujimori said the response was that Israel did not supply any order of that type.

There is still a controversy on whether the "Declaration of Peace of Itamaraty" and the "Declaration of Guarantors of the Protocol of Rio de Janeiro of 1942," which established the Peruvian-Ecuadoran border, are favorable to Peru. For Fujimori, the declaration by the guarantors "is essential, because it will permit us to make the final demarcation of the border in approximately two years." However, presidential candidate and former United Nations Secretary General Javier Perez de Cuellar again criticized the Itamaraty document, and asked for resumption of the work by the joint Peruvian-Ecuadoran commission, to make the final demarcation of the border.

In this regard, a poll conducted by IMASEN [expansion unknown]—a private company—and published today indicates that 66.2 percent of Peruvians believe that Peruvian borders were not protected, while 59.3 percent believe that if the borders had been protected, the conflict would have ended sooner.

The poll shows that 59.9 percent of those polled believe that Fujimori's performance in the crisis with Ecuador was good, while 28.3 percent have the opposite opinion.

Concerning the general elections scheduled for 9 April, the poll shows that 47.1 percent of those polled will vote for the reelection of Fujimori, while his closest contender Javier Perez de Cuellar received the support of only 20.6 percent of those polled.

Visit to Tihuinza Postponed

PY1902234695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2145 GMT 19 Feb 95

[FBIS Translated Text] Lima, 19 Feb (AFP-NA)—A government palace spokesman reported that Peruvian President Alberto Fujimori, who had announced that he would visit the Tihuinza base today, has postponed the visit for the next few days.

Unless there are "bad weather conditions and security problems," the president and a group of journalists will try, on 20 or 21 February, to reach the border checkpoints of Cueva de los Tayos, Base Sur, and Tihuinza, where he will raise the Peruvian flag, the source said.

Last Wednesday, Fujimori could not reach Tihuinza, "the last Ecuadoran stronghold in Peruvian territory," because of "bad weather and the presence of Ecuadoran snipers in the area."

The president then told journalists that he would make the visit on 18 February, but the visit was frustrated for the same reasons and was postponed until today.

Fujimori yesterday described to mass media directors the route that he would follow in his visit. He would first reach Watch Post 1, then go to Cueva de los Tayos, Base Sur, and Tihuinza.

Official Justifies Troop Withdrawal Strategy

PY2002014295 Lima Radio Programas del Peru Network in Spanish 0012 GMT 19 Feb 95

[FBIS Translated Text] Deputy Foreign Minister Eduardo Ponce said that no one has compelled Peru to

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withdraw its troops to Watch Station 1, and that—on the contrary—Peru proposed the withdrawal of Ecuadoran troops to the Coangos military base.

Ponce explained that Peru decided to propose the withdrawal of the troops to Watch Station 1 because of its more strategic location, which allows for easy supply of military equipment and personnel.

He explained that the location of the Tihuinza and Cueva de los Tayos watch stations is rather disadvantageous, from a strategic viewpoint, with respect to the Ecuadoran base of Coangos, which is a fortress built on a hill from which Peruvian facilities can be easily observed.

Ponce warned that those who criticize the government are trying to distort the opening of a demilitarized zone, explaining that the zone will be established by the guarantor countries after the approval of Peru and Ecuador.

Military Sources Note Weekend Armed Clashes With Ecuador

PA2002050695 Paris AFP in Spanish 0405 GMT 20 Feb 95

[FBIS Translated Text] Bagua, Peru, 19 Feb (AFP)—There were several armed clashes during the weekend between Peru and Ecuador at the border along the Condor Mountain Range despite the cease-fire agreement, Peruvian military sources admitted today.

Foreign correspondents who visited the area confirmed the sound of mortars and the rattling of machine-gun fire could be heard 18 February and 19 February in that jungle area.

Two wounded soldiers were evacuated from the Tihuinza area, one of the positions the Peruvian Armed Forces claim to have taken away from Ecuador after heavy fighting.

Journalists who visited Cueva de los Tayos, a position where there were clashes and which is now controlled by Peru, saw the wounded soldiers, who were transferred to "El Milagro" Military Base, in the Peruvian rear guard.

Military sources in "El Milagro" said there were skirmishes during the past 48 hours near the area of Tihuinza and Base Sur due to the presence of an unspecified number of "disorganized" Ecuadoran soldiers on Peruvian soil.

President Alberto Fujimori protested the presence of Ecuadoran "snipers" a few days ago and said that has been one of the reasons why he has not been able to visit Tihuinza to hoist the national flag.

Fujimori canceled his trip Saturday and Sunday due to weather conditions, according to sources from the Presidential Palace in Lima.

The cease-fire agreement was implemented at noon on 14 February, after Peru unilaterally made that decision. The following Thursday, negotiators from both countries signed a peace agreement in Itamaraty, Brasilia, which formalized the cease-fire.

Peruvian Press Claims Clashes Continue in Condor Range

PY2002162295 Madrid EFE in Spanish 1341 GMT 20 Feb 95

[FBIS Translated Text] Peruvian newspapers reported today that the armed clashes in the Condor Mountain Range have continued despite the cease-fire agreement signed between Ecuador and Peru on 16 February.

The most traditional Peruvian newspaper, EL COMERCIO, published a headline saying: "Armed Clashes in Peruvian Territory Continue." The newspaper adds: "Ecuadoran troops are not respecting the cease-fire," and "the Tihuinza zone—the last Ecuadoran bastion, which Peru says it has taken—is totally mined."

The economic newspaper GESTION says presidential candidate Alejandro Toledo is considering asking that the 9 April elections be postponed because Ecuadoran troops remain in Peruvian territory.

An EXPRESO headline says: "The (Ecuadoran) Monkey Runs Faster Than a Terruco (Terrorist)," stressing that surveys gauging people's preferences show that President Alberto Fujimori continues first in the presidential race.

EL MUNDO says that a controversy surrounds the "Itamaraty Peace Declaration" because "the opposition questions it, while the government does not admit any criticism."

The popular newspaper ONDA says Ecuadoreans "wanted a foothold in the Amazon region," while the opposition newspaper LA REPUBLICA says: "There are reasons to doubt Ecuador."

LA REPUBLICA says in its editorial section that the objections made by Perez de Cuellar, former UN secretary general and presidential candidate, to the "Itamaraty Peace Declaration" are "valid and grounded."

EXPRESO says "to ignore Peru's diplomatic victory is not only egoistical, but also indirectly contributes to preventing precisely that recognition."

EL COMERCIO also makes some observations on the Brasilia agreement suspending the fighting.

Deputy Foreign Minister Ponce Discusses Peace Talks

PY2002122095 Lima America Television Network in Spanish 0244 GMT 20 Feb 95

[Studio interview with Deputy Foreign Minister Eduardo Ponce by Nicolas Lucar during the regular "Sunday Review" program—live]

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[FBIS Translated Text] [Lucar] This weekend Ambassador Javier Perez de Cuellar, one of our most experienced diplomats and now candidate for the presidency of the Republic, took everyone by surprise by harshly criticizing the Itamaraty Peace Declaration signed by the Ecuadoran and Peruvian Governments and by the guarantors of the Rio de Janeiro Protocol. He made very severe criticisms of this declaration, and this is why we have invited the Peruvian representative in these negotiations, Deputy Foreign Minister Eduardo Ponce, who signed the declaration on behalf of the Peruvian Government, to talk about this declaration and the criticism.

Do you think Perez de Cuellar's political aspirations have overwhelmed his diplomatic experience?

[Ponce] Look here. I greatly respect my colleagues in general, especially if they have such an important background. I would therefore rather not answer that question. At least I am not going to do so. However, from what I read of his declaration I believe he omitted something very important. As if it did not exist, he made no reference to the declaration of the guarantor countries. This declaration was issued at the same time the peace declaration was signed. The declaration of the guarantor countries, unlike the Peace Declaration, was read out. The declaration issued by the guarantor countries, which was disseminated by the local media, is very important, but is not mentioned in the declaration issued by the Union for Peru Movement. It is not even mentioned. I would like to address this issue later on, because I believe it is very important.

[Lucar] Does this mean Ambassador Perez de Cuellar made a mistake? It is not true that an undue concession, as he says, has been made that puts Peruvian sovereignty over part of our national territory in doubt?

[Ponce] I believe the main result of the agreement is that it consolidates the military victory, satisfying the demand for a cease-fire by the guarantor countries and the international community. Moreover, it brings peace. It is an agreement, a peace declaration, that naturally will contribute to Peru's development and economic recovery process. Moreover, it has undoubtedly consolidated and strengthened the mechanism of the guarantor countries of the Rio de Janeiro Protocol.

[Lucar] But in his declaration Ambassador Perez de Cuellar says the opposite, that the document never mentioned to need to demarcate the border with Ecuador, the need to place the landmarks.

[Ponce] The reason for what you have just said is that the declaration never mentions the declaration of the guarantor countries, which, I reiterate, was issued as the same time at the same time the peace declaration was signed. Therefore, I am not surprised that these kinds of comments are being made if this declaration is not even mentioned. As I have said, it strengthens the mechanism of the guarantors, also giving them preference over other mechanisms or international forums at which this problem might be addressed. Lastly, I believe it establishes the necessary procedure to reach a final solution to this disagreement that has precluded completing the demarcation process in the missing portion on the Peruvian-Ecuadoran border. We need to demarcate that border. We need to demarcate it. Although the limits have been established by the Dias de Aguiar ruling, it is obvious that we need to demarcate the border.

[Lucar] What, then, do you have to say about Perez de Cuellar's comments? Do you think they contribute to the attempt to reach a prompt solution?

[Ponce] Look here, Lucar, unfortunately, just as the comments by former presidents, such as Febres Cordero and Borja, naturally contribute to the purposes I have mentioned during this interview, the declarations or the declaration contained in that document will obviously be ammunition which, I hope, will not be very useful for Ecuador. I have no doubt about that.

[Lucar] Do you think it favors Ecuadoran interests?

[Ponce] If you don't mind, I am not going to answer that question.

[Lucar] Why, in your opinion, is signing the Itamaraty Peace Declaration so important to Peru? Why is it good for our country?

[Ponce] Look here, the situation has changed radically for several reasons. Not only because the military victory has been consolidated, the mechanism of the guarantor countries strengthened, and the procedure for demarcating the border established, but because the attitude of the guarantor countries has undergone a major change in this latest and unfortunate episode. Regarding this problem, the guarantor countries had shown great apathy, and this sometimes shocked us. They met and only become active in times of conflict, but once the conflicts, the clashes, the urgencies were over, the mechanism became paralyzed, dormant, and the situation remained latent. At this moment you can see all the documents that stemmed from this tremendous effort made in Rio de Janeiro and Brasilia. There is a commitment on the part of the guarantor countries, which in no way will be limited to the sending of observers. The peace declaration is clearly divided in two. In the first place, it confirms the cease-fire unilaterally decreed by Peru and formally accepted by Ecuador. In the second place, sending observers is the key mechanism to solve the temporary crisis, the security crisis, the crisis that affects and disrupts peace in the hemisphere and peace between our countries that are suffering this disarray. And, lastly, it has an appendix that—in the future—is the most important part of the declaration. This appendix establishes the procedures to demarcate the border through the only means possible: a demarcation process that, by its own nature, is a bilateral procedure. We cannot just go and plant landmarks.

[Lucar] By mutual agreement. Through an agreement between the two parties. Does this mean that Perez de

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Cuellar's declaration, to some extent, proposes that the war continue, that the hostilities should have not ceased? That this process should have continued in the military field?

[Ponce] Look here, I would rather continue reading my declaration, the one I have in my hand, I mean. [video shows Ponce reading from declaration] The reason for this regrettable incident has been the lack of a demarcation of those 78 km of our border. [Ponce looks up from declaration] That is true. That is true. This must be solved. This is where the disagreement lies. There is a disagreement that prevents us from doing this, and this is why we need the guarantors. [Ponce again reads from declaration] Lasting peace is only feasible if Ecuador and Peru effectively commit themselves to establishing the landmarks along the mentioned portion of our border. It is only feasible with an effective commitment by Peru and Ecuador. [Ponce looks up] This commitment must be reached, it must be reached. [Ponce again reads] The document nowhere mentions, as it should, the obligation to demarcate the border with Peru. [Ponce looks up] That is not true. When we talk about a prevailing impasse, we are using much better language than when we talk about disagreements that were overcome by means of the [word indistinct] formula, and that were overcome by the Dias de Aguiar ruling. This is what we must admit in this declaration, and must not make biased comments in this regard.

[Lucar] Thank you very much.

Fujimori Allows Ecuadoran 'Stragglers' To Leave Peru

PY1902023895 Madrid EFE in Spanish 2348 GMT 18 Feb 95

[FBIS Translated Text] Lima, 18 Feb (EFE)—On 18 February, President Alberto Fujimori asserted that Peru is allowing disorganized Ecuadoran soldiers who are leaving Peruvian territory to cross over the border to their country. During a meeting with directors of local newspapers and television stations, Fujimori said: "We are not going to hunt fugitives."

The Peruvian president did not mention the number of Ecuadoran stragglers, but stated that the government allowed the withdrawal of these stragglers from Peru without let or hindrance "so as not to increase the number of casualties."

During a meeting at Government House, which lasted for more than an hour, Fujimori discussed several aspects pertaining to the "Itamarty Peace Declaration," establishing the cessation of hostilities between Peru and Ecuador, which was signed on 17 February.

The president reported that another subject broached at the meeting was the demarcation of the 78 km of common border in the region of the Condor Mountain Range, where the boundary stones have not yet been placed.

The Rio de Janeiro Protocol of 1942—having Argentina, Brazil, Chile, and the United States as guarantors—established the border between Peru and Ecuador. The former deems that this protocol is a "perfect" document that settled the border dispute with Ecuador, whereas the latter considers that it is "null and inexecutable."

Peruvian media spokesmen reported that President Fujimori had stated that, at any moment, he would once again travel to the area of conflict so as to reach Tihuinza and confirm that it has been recovered by Peruvian troops.

According to the Peruvian Government, Tihuinza was the last Ecuadoran stronghold in Peruvian territory to be captured by Peruvian troops after dislodging Ecuadoran troops from Cueva de los Tayos and Base Sur.

Ecuador also claims these places as its own and contends that they are still under its control.

New Area Mined by Ecuadoreans Discovered Near Tihuinza

PY2002180195 Lima Radio Programas del Peru Network in Spanish 1730 GMT 20 Feb 95

[Report by correspondent Ismael Byron Horna; from the Peruvian El Milagro military base in Bagua]

[FBIS Translated Excerpt] This is a report from the El Milagro military base in Utcubamba Province, Amazonas Department. We have some rather disconcerting information. The troops at this military base have, to their great surprise, found new mined terrain in the zone of Ampama, near Tihuinza. The plastic mines, which are hard to detect, were planted by Ecuadoran troops as they withdrew during the attacks by Peruvian troops to recover Tihuinza. This new development, which troubles the military authorities at the El Milagro base, has placed the soldiers stationed in the combat zone in a state of alert, in order to safeguard the military observers from the Rio de Janeiro Protocol guarantor countries who will be visiting the zone. [passage omitted]

Ecuador Transporting Troops, Supplies to Conflict Zone

PY2102104195 Lima Radio Programas del Peru Network in Spanish 1014 GMT 21 Feb 95

[FBIS Translated Text] Ecuador is mobilizing troops and helicopters and is harassing Peruvian troops in Tihuinza, Cueva de los Tayos, and Base Sur. These zones are demilitarized in compliance with the peace agreement signed in Brasilia.

The charges by the Peruvian Armed Forces joint command include the deployment of Ecuadoran aircraft—in violation of the cease-fire—to transport Ecuadoran troops to infiltrate dislodged areas and to bring supplies.

Faced with this situation, the Peruvian Armed Forces repelled the Ecuadoran attacks in order to maintain

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control over Cueva de los Tayos, Base Sur, and Tihuinza and have reasserted their most firm determination to grant all necessary facilities to the guarantor country observers who will begin to inspect the conflict zone today.

Foreign Ministry Issues Communique on Peace Accord

PY1702194295 Lima Radio Programas del Peru Network in Spanish 1912 GMT 17 Feb 95

[Peruvian Foreign Ministry Communique No. 0795 issued in Lima on 17 February]

[FBIS Translated Text] The Peruvian Foreign Ministry has the pleasure to announce that the Itamaraty Peace Declaration between Ecuador and Peru and the Declaration of the Guarantor Countries of the 1942 Rio de Janeiro Protocol were signed simultaneously in Brasilia at dawn today.

In this regard it hereby announces:

1. This peace declaration consolidates the achievements of our Armed Forces and safeguards the effective withdrawal of all the Ecuadoran troops that had entered our territory, thus fully restoring and safeguarding national sovereignty.

2. The peace declaration also guarantees the effective separation of forces under the strict supervision of observers of the guarantor countries, which will also propose a zone to be demilitarized, and will supervise this demobilization and the return to their respective bases of the deployed units.

3. The peace declaration, which represents the first document signed since 1942 by Peru, Ecuador, and the guarantor countries, clearly establishes an agreement to start, with the help of the guarantor countries, a process designed to definitively resolve the impasse prevailing between Peru and Ecuador, that is, to complete the demarcation of our common border.

4. This purpose is fully endorsed by the Declaration of the Guarantor Countries of the Rio de Janeiro Protocol, signed in 1942, in which Argentina, Brazil, Chile, and the United States of America reiterate their commitment to strictly fulfill the obligations undertaken when they signed the mentioned document, granting special importance to the full and definitive implementation of the Rio de Janeiro Protocol.

5. The Peruvian Government, in expressing its deep satisfaction over the agreement reached, reiterates its gratitude to the guarantor countries for the great efforts made and their commitment to continue working within the framework of the Rio de Janeiro Protocol to reach a lasting solution to consolidate peace and friendship between Peru and Ecuador.

Lima, 17 February 1995.

Official Communique No. 0795 issued by the Foreign Ministry.

Perez de Cuellar Rejects Itamaraty Peace Declaration

PY1902005595 Madrid EFE in Spanish 0432 GMT 18 Feb 95

[FBIS Translated Excerpt] Lima, 17 Feb (EFE)—On 17 February, former UN Secretary General Javier Perez de Cuellar rejected the Itamaraty Peace Declaration between Ecuador and Peru on the grounds that it grants undue concessions to Ecuador.

In a televised message, the ambassador and presidential candidate said that the alleged concessions made by the Peruvian Government "cast doubt on Peruvian sovereignty over part of the national territory." He objected to the fact that the document had been signed when there were still Ecuadoran troops in Peruvian territory and that the latter had been referred to in the declaration as the "area of conflict," which he considered "very dangerous because it does not indicate that it is Peruvian territory."

Perez de Cuellar also criticized point number four of the peace document because "both parties accepted that the geographical references" of PV-1 [Watch Post One] "are only mentioned with the object of demilitarizing the area, despite the fact that Ecuador refuses to accept that that is Peruvian territory."

Having pointed out that "peace must be based on existing treaties," Perez de Cuellar said that "this incident," thus alluding to the signature of the peace declaration, "is the result of the Fujimori administration's erratic and improvised foreign policy."

In conclusion, he demanded a "national debate" on the peace agreement with Ecuador, "to identify those who are responsible for this and to prevent the blood of our soldiers from having been shed in vain." [passage omitted]

Peace Accord Gets Mixed Reception From Press

PY1902011395 Madrid EFE in Spanish 1301 GMT 18 Feb 95

[FBIS Translated Text] Lima, 18 Feb (EFE)—On 18 February, the Peruvian press received the news about the peace agreement to end hostilities between Peru and Ecuador with different positions, which are reflected in their headlines. In sum, they are not unanimous in their assessment of the "Itamaraty Declaration," since some newspapers wonder whether the agreement is favorable for Peru.

In today's issue, the opposition paper LA REPUBLICA says: "The interests of our nation are jeopardized." It endorses the objections raised by former UN Secretary General Javier Perez de Cuellar and charges that while

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Peru is withdrawing its troops from the border, Ecuador "is reinforcing its military bases."

EL MUNDO newspaper says: "A New Taunt—Ecuador Ignores the Protocol," which established the limits between Peru and Ecuador in 1942.

The tabloid EXPRESO points out: "Guarantors Take on Their Role To Demarcate the Border," while the doyen of the Peruvian press, EL COMERCIO, notes that the impasses to which the declaration alludes "refer to the demarcation of 78 km on the border," which still lack the corresponding boundary stones.

The headline of the popular paper ONDA reads as follows: "Guarantors To Be in Area of Conflict on Tuesday," while the economic newspaper GESTION says: "Mission of Guarantor Countries—Argentina, Brazil, Chile, and the United States—To Verify Compliance With Agreements as of 21 February."

In editorials, EXPRESO argues that Peru "has managed to indissolubly tie the peace agreement to a definite solution. This is, therefore, a military and diplomatic victory, which if it does not please everybody it is because Ecuadoreans and some Peruvians still need to ponder on these developments."

EL COMERCIO asks several questions, which consider numerous issues, including the need to clarify the economic and financial aspects of the conflict with Ecuador.

LA REPUBLICA states that "Peru must be on the alert and vigilant following the cease-fire," and seek a definitive solution to the border dispute.

Fujimori Links Rio Protocol With Ecuadoran Border Conflict

AU2002190495 Berlin BERLINER ZEITUNG in German 13 Feb 95 p 5

[Interview with Peruvian President Alberto Fujimori by Maritta Tkalec; place and date not given: "'Ecuador Surprised All of Us'"]

[FBIS Translated Text] [Tkalec] The clashes on the border this year are much more serious than anything that has occurred in the many years during which this conflict has been smoldering away. How do you explain this?

[Fujimori] There have been disputes between Peru and Ecuador every year since 1942. The anniversary of the signing of the international treaty that regulates the border between the two countries falls on 29 January. The situation became more acute when, in 1950, Ecuador declared that the Rio de Janeiro Treaty could not be implemented and the Ecuadoran Parliament unilaterally revoked the treaty in 1960.

There was no demarcation of a stretch of the border and that is where the fighting is taking place today. However, the Brazilian mediator established the border. The water of one river along with all its sources belongs to one country and another river flows entirely in the other country. We have always sought the demarcation of the 78 kilometers that have not been included. There was already a substantial armed conflict in the non-demarcated region in 1981. However, the political situation is different now.

[Tkalec] In what way?

[Fujimori] The Ecuadoran National Security Council has now recognized the Rio Protocol. At any rate, that is what was stated in a declaration that it issued in the second half of January. That came as a very great surprise to the Peruvian Government and to public opinion. The surprise was even greater when, on the following day, the Ecuadoran foreign minister appeared on television and stated officially that the Ecuadoran Government wanted to recognize the protocol from now on. Peru responded by issuing a communique in which it welcomed Ecuador's decision.

Then, two hours after Peru had issued the communique, Ecuador bombed a Peruvian base.

[Tkalec] How do you interpret that?

[Fujimori] I have been speculating along the following lines. After Ecuador had issued these statements recognizing the border agreement, it bombed our base to play down this significant political move—possibly for purely domestic political reasons.

[Tkalec] What solution do you envisage?

[Fujimori] For us, the international treaty provides a formula for a solution. We are pleased at the mediation efforts being made. We want to stop the conflict through dialogue. However, Peruvian citizens are being badly treated in Ecuador. Shipments destined for Peru have been held up in Ecuador. We have not resorted to any countermeasures. We have even taken steps to ensure that Ecuadoran interests in Peru are protected. You can sense that there is a mood of peace in Lima and every other town. Nor has Peru been waging a war of words.

[Tkalec] However, Peruvian newspapers have been running headlines such as "Crack the Apes' Heads!"

[Fujimori] This may be proof of the excessive degree of press freedom in Peru.

[Tkalec] Can there be too much press freedom?

[Fujimori] I think that some headlines that are possible in Peru would not be possible in Germany. A headline of that kind could result in a newspaper being taken to court and could cost millions of German marks.

Peruvian Economy Not Affected by Conflict

PY1902030995 Madrid EFE in Spanish 1728 GMT 18 Feb 95

[FBIS Translated Text] Lima, 18 Feb (EFE)—Peruvian Bank Association President Jorge Picasso reported on 18

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February that the Peruvian financial system has not been affected by the armed conflict with Ecuador "and it remains sound and stable."

According to Picasso, Peruvian banking activities "continued normally" during the 20 days of the conflict and there were no liquidity problems like in Ecuador.

"Our local customers have had confidence in our system. The same holds true in the case of foreign investors—they have maintained their deposits as well as the external lines of credit for the productive sector," he added.

Jose Luque, president of the Lima Stock Exchange, stated that there were no movements of capital on the stock exchange and that the conflict "only made investors abstain temporarily while they studied the delicate situation" confronting the country.

Luque noted that trading on the Lima Stock Exchange declined from an average volume of 10 million [no currency specified] to 5 million [no currency specified]. Nevertheless, the volume of transactions increased to 15 [not further specified] immediately after the signing of the Itamaraty Peace Declaration on 17 February.

Arturo Woodman, president of the National Confederation of Private Business (Confiep), pointed out that the war did not particularly affect Peruvian industrial and commercial activities adding that the only ones who were harmed by the conflict were the owners of retail businesses located on the border.

Woodman said that "both the Cities of Huaquillas (Ecuador) and Aguas Verdes (Peru) have been adversely affected since commercial transactions, which used to exceed $200,000 per day, were suspended."

Peruvian Envoy Comments on Results of Visit to Argentina

PY1902012695 Lima Radio Programas del Peru Network in Spanish 1915 GMT 18 Feb 95

[Telephone conversation between announcer Guido Lombardi and Peruvian Ambassador Jorge Morelli Pando in Buenos Aires—live]

[FBIS Translated Text] [Lombardi] Good afternoon, Mr. Ambassador Jorge Morelli Pando. We would like you to comment on your visit to Argentina.

[Morelli] It was a very fruitful visit. Both Mr. D'Ornellas and I are extremely satisfied with the results. I would like to make it clear, though, that we are not duplicating or interfering with official negotiations since it is incumbent upon our embassy and other higher levels of our government to do this. For us, this is a support mission. Now, obviously, during the meetings we had two days ago with Foreign Minister Guido Di Tella, and yesterday, with President Carlos Menem—who was also so kind as to receive us at the presidential residence—we went beyond the mere role of informants given the fact that Argentina is a country which is very close to us and is also a guarantor country.

In the case of President Menem, he underscored the fact that he had been in contact with the presidents of Peru and Ecuador during the crisis and that he was very pleased with the signing of the Itamaraty Declaration and the document issued by the four guarantors, which was not publicized a lot, but has the same importance as the Itamaraty Declaration.

[Lombardi] That's very true. Guarantor countries now have to discharge their duties until the landmarks are placed in the northern border area. In any case, Ambassador Oscar de la Puente said that Argentina has always been the friend that never did anything for Peru. What is your opinion of this?

[Morelli] You have already asked me that question in a previous interview and I have already replied that what is really important is the position Argentina adopted. It proved to be very efficient in its role as guarantor.

[Lombardi] Ambassador, when are you returning to Peru?

[Morelli] I am leaving for Rome today for a mission to the Vatican, so I will be returning to Peru in approximately six days.

[Lombardi] Thank you, Mr. Ambassador.

[Morelli] Thank you.

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